DECEMBER 17, 1984 $1.95

TIME

INDIA'S DISASTER

THE NIGHT OF DEATH

A GLOBAL WORRY

TERROR ON THE TARMAC
A Murderous Skyjacking

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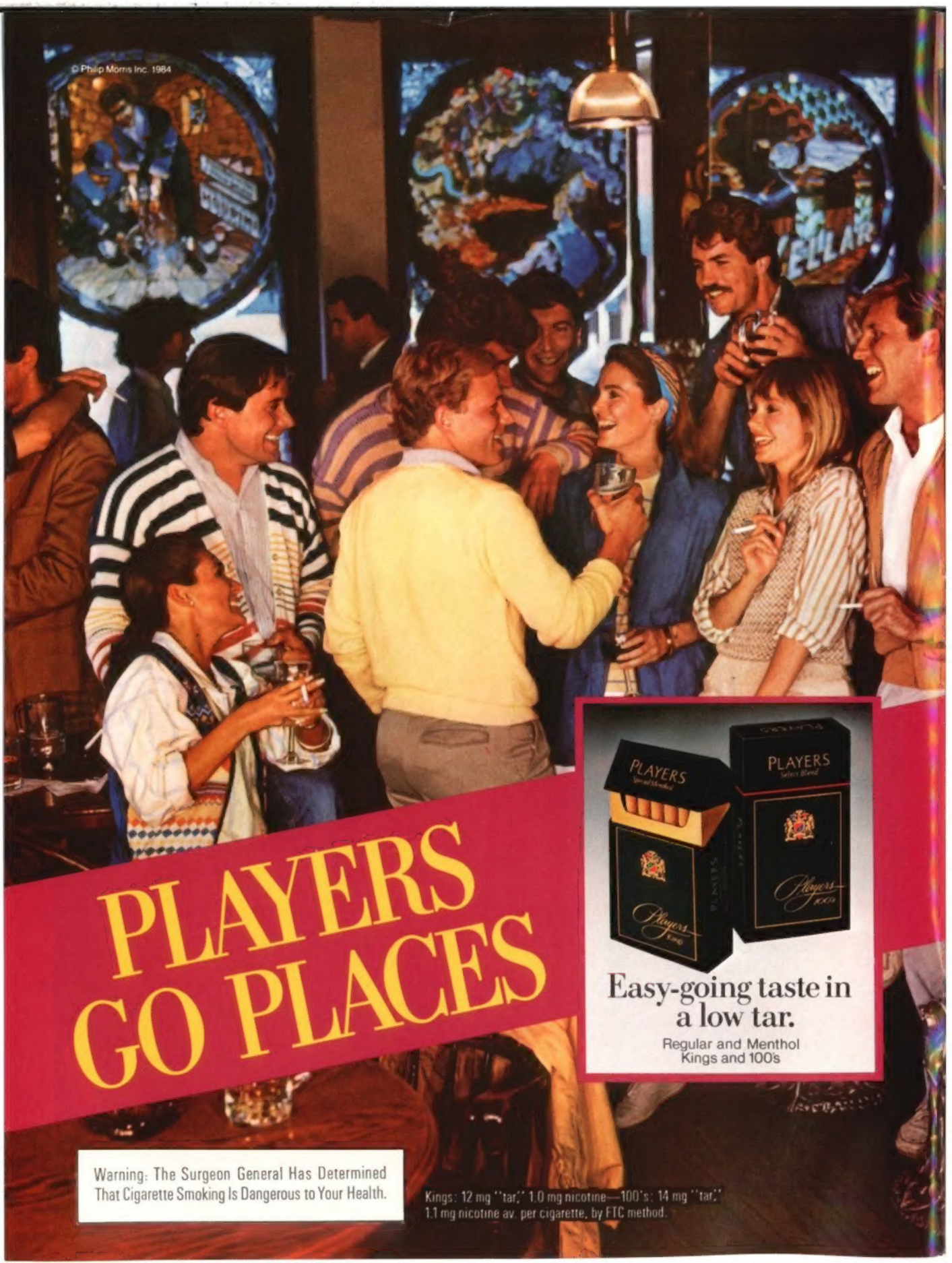
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DECEMBER 17, 1984

TIME
THE WEEKLY NEWSMAGAZINE

Vol. 124 No. 25

COVER: India's night of death prompts a worldwide worry

20

In the worst industrial disaster in history, more than 2,500 are killed as poison gas leaks from a Union Carbide insecticide plant in central India. The accident raises global concern about the safety of stored chemicals and toxic wastes. At the same time it clouds the future of the U.S.-based chemical firm and underlines the price humanity pays for the blessings of progress. *See* ENVIRONMENT.

NATION: Reagan unveils a shocker of a plan to cut Government spending

40

The President lays down a three-year proposal to chop the budget deficit in half, and the slashes would include many popular services. ▸ Barry Goldwater speaks his mind about what is wrong at the Pentagon. ▸ A surprising number of states are enjoying fiscal surpluses, the reward for belt tightening. ▸ Liberal pickets and conservative prose fuel a protest against South Africa's apartheid.

WORLD: Hijackers turn Flight 221 into a scene of horror

54

Gunmen seize a Kuwaiti plane and force it to land in Tehran, where they kill at least four passengers, including two Americans. The U.S. is powerless to act. ▸ Grenada's voters pick a moderate in their first post-invasion election. ▸ Greek Prime Minister Papandreou threatens to keep Spain and Portugal out of the European Community. ▸ A Nobel laureate speaks of art and liberty.

66 Economy & Business
The package flyers are an overnight sensation. ▸ Pickup trucks are winning customers. ▸ Mobil snubs the *Wall Street Journal*.

74 Science
Off the Turkish coast, the oldest intact shipwreck ever recovered yields a treasure trove of Bronze Age artifacts for archaeologists.

79 Medicine
The artificial-heart patient continues to mend and undergoes some controversial tests. ▸ The Pill slips to No. 2 in contraception.

80 Press
McNamara breaks a 16-year silence on Viet Nam in the Westmoreland trial. ▸ A TIME correspondent testifies in the Sharon case.

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84 Books
Illustrators from Maurice Sendak to N.C. Wyeth to Leonardo da Vinci brighten a shelf of enchanting children's literature.

86 Living
The latest wrinkle in self-improvement for men is skin care. New potions provide slicker shaves, smoother skin and ringing registers.

97 Cinema
What does $100 million buy these days? Two Christmas movies, *The Cotton Club* and *Dune*, with hardly a sizzle between them.

100 Essay
John Donne wrote that "any man's death diminishes me." But how deeply can one really feel the deaths of total strangers?

Cover:
Photograph by Baldev—Sygma

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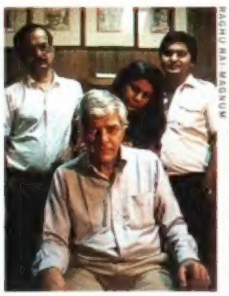
A Letter from the Publisher

Books, movies and television have long provided a glamorous gloss for the image of the foreign correspondent. He—it has traditionally been a he—dashes from one cosmopolitan capital to another by first-class jetliner or Orient Express–style railway compartment; he puts up at such elegant hostelries as Claridge's in London or the Plaza Athénée in Paris, dining at Maxim's or its local equivalent; he hobnobs with celebrities and is on intimate terms with heads of government.

This stereotype of glamour and prestige never seems so unreal as when a correspondent is confronted by overwhelming, stomach-wrenching misery and death. New Delhi Bureau Chief Dean Brelis faced such a scene last week when he arrived in Bhopal, India, just 30 hours after a toxic gas leak had created the world's worst industrial disaster. "I have seen men killed in battle," Brelis reported after walking through streets littered with the corpses of people and animals. "But seeing ordinary people dying before your eyes, especially mute children falling dead in a transfixed silence, is appalling. I felt as if I were wandering through a landscape of the dead."



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Brelis and New Delhi staff; interviewing in Bhopal

Journalists never forget their landscapes of the dead. Photographer David Burnett, on assignment for TIME, spent five days last month at two of the camps set up for Ethiopia's starving population. Says he: "It is not the millions who really batter at your emotions. It is each individual person, like the little naked girl I photographed sitting on a rock: she was not strong enough to stand, not strong enough even to eat. I still see her face." Burnett was also struck by individual images of compassion. "There were so many loving moments, a mother with her baby, a father protecting two children. We tend to think all human feelings die under such circumstances, but I felt a little less hopeless when I saw that it wasn't so."

Mexico City Correspondent Janice Simpson was similarly moved when she covered the gas-tank explosion three weeks ago that left more than 2,500 dead. "People who had suffered great losses were nonetheless eager to help me, to tell their stories," she says. "But I felt a great frustration at having so little to offer them in return." The day after the explosion, Simpson went to a center where names of the missing could be checked against computer lists. Some distraught people took her for an official and asked her to aid them. "I told the first one or two that I was a reporter and could not help," says Simpson. "But I soon found myself explaining how to make out a list and submit it. It was a very small thing, but it did make me feel a little better."

John a. Meyer

"J&B and soda?"

Letters

Off in Space

To the Editors:

I have been awed by the beautiful pictures taken from space of the moon, the earth and the other planets [NATION, Nov. 26], and long to explore the vastness of the universe. Space, however, cannot be the expensive playground of the scientists and the military. It must first be developed for its economic benefits, for energy from the sun and raw materials from the asteroids and the moon. Space is a rich frontier large enough for all mankind.

Sandra Lee Adamson
Tucson

If an educator and a politician are to go on future flights, why not a poet, so we can have some aesthetic observations?

Ernest W. Brown
Des Moines

How many Americans, if free to choose, would support the exorbitant cost of space research, which is paid for with the taxpayers' dollars?

Davey-Joe Potter
West Davenport, N.Y.

It is true that we could reduce the national deficit or help the malnourished if we did not spend money to develop space. But what will the human race do when earth's resources are used up? Man could find himself trapped on a dying planet.

Allen Miller
Cape Canaveral, Fla.

Outer space will be the next great confrontation between East and West. While the U.S. thrashes around with the arms-control meetings, the Soviets will quietly be building space stations that will make arms control look like a joke.

Margaret Biggs
Center Sandwich, N.H.

President Reagan's commitment to the manned space program should be applauded. Critics who question the expense should examine the ultimate cost of limit-


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Letters

ing our knowledge of the universe. Who is to say that eventual colonization and utilization of space's vast resources will not be necessary for human survival?

Michael D. Piltz
Bellflower, Calif.

Man of the Year

The clear choice for your 1984 Man of the Year is President Ronald Reagan. He has convinced Americans that he can lead the U.S. for another four years.

Hans Schattle
Bristol, R.I.

The men and women of the American and Soviet space programs.

Gary Dale Hudnall
San Francisco

The Rev. Jerzy Popieluszko. With his faith and bravery, he expressed the essence of man's struggle for freedom against totalitarianism.

R. Allan Harder
Hornell, N.Y.

The late Martin Luther King Sr. for his self-sacrificing service to humanity.

Lonnie Nord
Lorain, Ohio

Los Angeles Olympics Organizer Peter Ueberroth for upholding a tradition that is threatened by superpower politics.

Sanjay Upadhya
Katmandu, Nepal

Baby Fae, who, through her sacrifice, may enable others to live normal lives.

Anthony Bersani
Barnegat, N.J.

Death by Starvation

Your article on conditions in Ethiopia [WORLD, Nov. 26] focused on the plight of the starving without discussing the root causes. The famine is the result not of a malevolent nature but of human activities. The drought was created by farming practices that stripped the land of irreplaceable soil, by politicians who value military power and short-term economic growth more than self-sufficiency in food production, and by a society that refuses to come to grips with overpopulation.

Kathleen Adkins
Valhalla, N.Y.

Relief for Ethiopia will depend on how soon the country addresses a fundamental problem—rapid population growth. While we reach for our checkbooks to help keep Ethiopians from starving, let us not forget that without a significant reduction in the population growth rate, today's tragedy may portend an even more frightening future.

M. Rupert Cutler, Executive Director
The Environmental Fund
Washington, D.C.

"J&B on the rocks?"

Letters

How clever of the Soviets, after ignoring the situation in Ethiopia, now to send trucks, planes and helicopters to distribute foodstuffs. Concern for starving people is hardly the motivating factor in this offer.

Lee Washburn Maloney
San Antonio

Americans do not realize that Ethiopia is a satellite of the U.S.S.R. Let the Soviet Union feed them.

John R. Freeman
Phelan, Calif.

While the Western nations should be praised for their contributions to alleviate human suffering in Ethiopia, the concern shown by these nations points out one of the ironies of the situation. Aid to Third World countries appeases our consciences but does not change the circumstances that foster poverty.

Ross Miller
Saskatoon, Sask.

During the famine of the early 1970s in the Sahel region of Africa, relief ships unloaded grain at the port of Dakar and then left loaded with peanuts, cotton, vegetables and meat for Europe and North America. As long as local elite politicians and multinational corporations control the land and its production, people will starve in Africa. The food Africa grows will continue to go to those who can pay for it. Drought is a natural occurrence. Famine is a human phenomenon. Let's stop blaming the desert and start blaming ourselves.

Marc John Vassallo
Colorado Springs, Colo.

Bishops and Wealth

Whether the suggestions by the Catholic bishops on economic policy are feasible is immaterial [ECONOMY & BUSINESS, Nov. 26]. The fact remains: the Reagan Administration and Congress must face the problem of poverty in America. Ultimately, the Government will have to spend large sums of money to treat it effectively. Enough of this massive military buildup.

Sean E. Judge
Cambridge, Mass.

Perhaps the Catholic Church would be willing to give up its tax-exempt status to pay for its proposed welfare and make-work programs.

Brent White
Newhall, Calif.

Countries whose predominant religion is Catholicism are among the most poverty stricken in the world, with the greatest disparity between the few rich and the multitude of poor. Yet these are the nations where the church has its greatest influence. The bishops should start making their changes there.

Susan Wilson
New York City


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Letters

Soldiers of Mercy

The article "Vicious Circle" [WORLD, July 30] quotes from William Shawcross's book *The Quality of Mercy* that Thai soldiers pushed 826 Kampuchean refugees over a cliff, forced 43,000 more to walk home through minefields and intercepted the rice shipments sent to hungry refugees. These allegations are untrue, unfair and mislead your readers into believing that Thai soldiers are barbarians. Such behavior is inconsistent with the regulations and the humanitarian philosophy of the Royal Thai Army. Thai soldiers' primary duty is to protect their homeland. The truth is that since 1975 they have helped more than 600,000 displaced Indochinese by protecting them from attack and assisting the United Nations border-relief agencies in providing them with shelter, food and clothing. When conditions are safe, the Thai army also provides transportation for refugees' voluntary repatriation. This is done under U.N. supervision.

Anusorn Krisanaseranee
Colonel, Royal Thai Army
Assistant Army Secretary
Bangkok

Controversial Prize

Canceling the Eppinger hepatology prize [MEDICINE, Nov. 26] because it was named after a Nazi doctor was an overreaction. As a Jew, I am sensitive to such matters, but I would have been satisfied had the Falk Foundation apologized and changed the award's name.

David Rubin
New York City

Ritzy Pizza

As a pizza lover, I know a good pizza when I taste one [FOOD, Nov. 19]. The best I ever had was not in big cities such as New York, Boston and Houston, but at Nancy's Stuffed Pizza in suburban Des Plaines outside Chicago. If I could find a backer to open one of Nancy's establishments, I would show these Texans what really great pizza is.

Jeffrey Starr
Midland, Texas

You say white pizza was invented in New Haven, Conn.? *Mamma mia, che scandalo!* White pizza has been prepared in my native Tuscany since the Etruscans. The recipe calls for sprinkling a little fresh rosemary, olive oil, salt and pepper over a sheet of dough and baking it. We Italians have given up much to foreigners over the centuries, but our pizza patrimony, never.

Valeria A. Falisec
Chesapeake, Va.

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"J&B under the tree?"

American Scene

In Philadelphia: Superdogs

True or false?

1) A dog show is practically the only place on earth where a man can ask earnestly and with utter immunity, "Say, pal, what's this bitch's name?"

2) A dog show is no laughing matter.

3) No self-respecting punk rocker (forgive the contradiction) would shave himself the way some of the poodles in dog shows are shaved.

Answers:

1) True.

2) True (exhibitors seem entirely devoid of funny bones, ha-ha!).

3) No hypothetical questions, please.

SAL D MARCO JR

Grooming for glory: Barbara McGuirk and Blue, her Old English Sheepdog

O.K., O.K., no more jokes—not even an easy aside like, "To a dog, every day is Saturday." The American Kennel Club observed the 100th anniversary of its founding this year in Philadelphia. It was founded, in fact, on Sept. 17, 1884, right there in Philadelphia. To mark the occasion, the AKC put together the largest dog show ever held in North America. It brought more than 8,000 dogs to the Philadelphia Civic Center. Security was tighter than a rusted nut. Tighter than it had been a month before during the vice-presidential debate in the same spot, according to a visitor who attended both.

There were dogs as large as Welsh ponies; of one particular Newfoundland, an announcer said, "A pleasant giant and a wonderful dog for those fortunate enough to have the space." There were dogs so inconsequential in size they were scarcely bigger than the word dog. There were dogs with names as long as a snake, and with a similar disposition. There were hairballs all over the floor. There was no mange.

Any visiting two-legged cur with a casual interest was soon made aware that there are 48 million dogs in America, 14 million of which are purebred, the rest of which are indiscriminate with their low-rent rendezvous. Further, the AKC is one of the oldest amateur-sports governing bodies in the U.S., and it oversees about 10,000 dog shows, obedience trials and field trials annually. To boot (now comes the information picked up around the fringe), Ralston Purina is self-described as "the most trusted name in pet foods," while Mighty Dog is "the pure beef brand," though Kal Kan is "the stuff great dogs are made of" and Edge is "rich in brewer's yeast."

The eavesdropper at the continent's largest dog show, caught in the crush of humanity and canines, scarcely able to move, could not help overhearing such telling bits of dialogue as these:

"I feel like an inchworm. Is that a dog down there? Oh my God, it's a furry dog! They shouldn't allow this!"

"Dog coming through! Dog walking through! Make way for the dog, please!"

"Leo, stop pulling! Rose, keep your nose to yourself!"

"It must just be nervousness. Usually he's very regular; every morning, early."

"This is absolutely fascinating to me. I've never *had* a dog that would lie down and come to you and all that stuff."

"Heel, dammit! Leo, I *mean* what I say!"

"Wonder what would happen if I brought a cat in here?"

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Thunderwords.

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American Scene

License plates on the vehicles of many purebred enthusiasts often employ a shorthand to reflect the driver's taste, the number of characters being restricted: G-SHEP; SHIH TZU; AIRDL. The recreational vehicle seems to play an important part in the lives of many exhibitors. In the lot across the street from the civic center, there were hundreds of such road leviathans, a grooming table and a wire-mesh kennel occupying the spaces that picnic tables and charcoal grills would in other circumstances. In that lot, beneath a pale November sun, Dee Leahy groomed her one-year-old broken-haired terrier, Lay Dee Ayr Star Search, by pulling tufts out by the roots. That is the way you groom them, she explained, saying further that the dog felt

Waiting: Richard Nelson and his Great Dane

no pain. The dog kept a beatific look on its face, not once wincing as it was snatched bald here and there.

Leahy said she and her husband Dave, who are from Pittsburgh, travel 14,000 miles a year to dog shows. They have operated a kennel for 35 years, and they have had 35 champions. The reason to keep a broken-haired terrier, she says, is that "they have more sense than any other dog. They don't shed. They're sensitive. They know when you're not feeling well and when you're happy. See when I talk to her how she starts to get excited." Lay Dee Ayr Star Search quivered.

In the civic center, at the end of each long row of dogs on display, there was a convenience stall, a place for the dogs to do their business. One man was seen to squat before his Dalmatian; just another instructive gesture, as these things go.

Down the line a ways, Richard L. Nelson, of Woodcliff Lake, N.J., sat lost in a book, his Great Dane, Woodcliff's Bold Bracken, towering over him like an enormous reading lamp. Occasionally Nelson would pat the dog on its breastplate and whisper, "Why don't you take a load off your feet?" But the dog preferred to stand. The dog's sister, Woodcliff's Sweet Rebecca, lay alongside, dozing sweetly.

"This bitch," explained Nelson's wife Elizabeth, "started winning as a puppy, so you don't stop when you're on a roll." She said the Great Danes were "like family. We have their mother and their grandmother. We did have their great-grandmother, but she's gone. And we had their uncle, but he's gone. They're house dogs. They have personalities, just as anyone does. The bitch here is a lot like her grandmother. She has a look, an expression sometimes, just like her grandmother. She's always in your pocket, soft and tender, like her grandmother."

There is no underestimating the pride and love these people who gathered in Philadelphia have for their dogs; they swap snapshots of various Rovers, chests swelling as they would over pictures of the eldest daughter's wedding. To get ready for a show as important as this one, they had preened their pets for days.

"We shampooed and bathed and dried this dog every night this week," said Gene McGuirk, of Cold Spring, N.Y. As he spoke, his wife Barbara addressed Blue, a 2½-year-old Old English Sheepdog, or Olde, with the clippers. "First he soaks for 30 minutes . . ."

"Our poor bathroom," Barbara said.

". . . then it's a regular bath," said Gene McGuirk. "You wash it out, dry with towels and then put him on the table. We have two professional hair dryers, so from start to finish it's two hours—if you have the tools. If you have only one dryer, it'll take you four hours."

Blue, a towel round his neck, was led by Barbara, a wire brush jammed in her belt, to the ring for the judging. The dog was fluffed and fluffed until their number was called. They cast aside the towel and entered the ring with other handlers and Old English Sheepdogs, all of which looked very much like Blue. The judge had the moves of a fight referee. He had the owners run in circles, the dogs loping alongside them, heads held high. The texture of the coat means a lot in competition, but the muscle and bone also count. The judge laid hands on Blue. He felt first for the two squares, the block of the snout and then the block of the cranium. He felt the shoulder for the perfect 45° angle. He felt for the proper rib configuration, not too round, not too slab-sided, and then kneaded the loin muscle. He had the dog walk and looked for what in humans would be called knock knees, but on a dog it is called being cow-hocked. Blue lost to a puppy. Judging in this sport is most subjective.

"I couldn't fault you," Gene said to Barbara. "I didn't see anything wrong."

"You're biased," said Barbara. "Anyway, it doesn't mean the puppy is necessarily better than Blue. It just means the judge thought it had a lot of potential for that age."

"We'll try next week in Springfield, Mass.," said Gene.

"Have dog, will travel," said Barbara.

—*By Gregory Jaynes*

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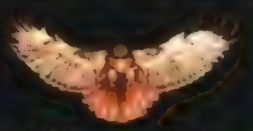

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All the World Gasped

A tragic gas leak offers a parable of industrial life

In *Specimen Days* Walt Whitman created a terrible picture of the proximity of human progress and human frailty by describing the U.S. Patent Office when it was used as a hospital during the Civil War. There the dead and dying soldiers lay on cots surrounded by the latest inventions of the day, high shelves packed with gleaming instruments devised to ensure the world's safety and advancement. India provided some specimen days last week. On Monday the death toll was 410. On Friday, more than 2,500. By the weekend, numbers had no meaning any more, since no one could tell how many of the citizens of Bhopal who managed to survive the leaking toxic gas would eventually be counted among the dead. Something went very wrong at the Union Carbide pesticide plant. Human progress came up against human frailty. The air was poisoned, and the world gasped.

It was, in fact, the world's tragedy that occurred in Bhopal, not only because one saw fellow mortals stricken but because the industrialized society has created a shared fragility. The sources of enhancement are also the sources of fear and peril—all the chemical plants, nuclear power plants and other strangely shaped structures concocting potential salvation and destruction in remote and quiet places. The citizens of Bhopal lived near the Union Carbide plant because they sought to live there. The plant provided jobs, the pesticide more food. Bhopal was a modern parable of the risks and rewards originally engendered by the Industrial Revolution: Frankenstein's wonder becoming Frankenstein's monster.

Not that it was an abstract lesson that we watched all week, as mothers rocked blinded children in their arms and old men convulsed in their hospital beds. The pictures were all too real. More human frailty was on display than human progress. Odd how little it takes to pick up the facts involved in so sudden a catastrophe—to learn all about "methyl isocyanate," and how the pressure built up in a storage tank too rapidly for the "scrubber" to neutralize the gas that escaped into the atmosphere. Even a tragedy becomes a moment in technology, as if we feel compelled to advance knowledge at the same time we experience shock and grief. But acquiring information also serves as a deflection of feeling. In the long run we remember people like ourselves, drowned in the air by an enemy that was supposed to be an ally.

If the world felt especially close to Bhopal last week, it may be because the world is Bhopal, a place where the occupational hazard is modern life. History teaches that there is no avoiding that hazard, and no point in trying; one only trusts that the gods in the machines will give a good deal more than they take away. But the problem is not purely mystical either. If social advancement lies in something as lethal as methyl isocyanate, it only argues for handling with the greatest care. After this tragedy is out of the news, and the lawsuits are filed, and the dead cremated, things ought to be made considerably safer than they were before Bhopal. Human progress, human frailty. Ashes float in the air near the pesticide plant.

—By Roger Rosenblatt

Photograph for TIME by Sandro Tucci—Gamma/Liaison

Hours after the tragedy, parents at crowded Hamidia Hospital watch helplessly as their children struggle to breathe

RAGHU RAI—MAGNUM

Environment

TIME DECEMBER 17, 1984

COVER STORIES

India's Night of Death

More than 2,500 people are killed in the worst industrial disaster ever

The first sign that something was wrong came at 11 p.m. A worker at the Union Carbide pesticide plant on the outskirts of Bhopal (pop. 672,000), an industrial city 466 miles south of New Delhi, noticed that pressure was building up in a tank containing 45 tons of methyl isocyanate, a deadly chemical used to make pesticides. At 56 minutes past midnight, the substance began escaping into the air from a faulty valve. For almost an hour, the gas formed a vast, dense fog of death that drifted toward Bhopal.

The vapor passed first over the shanty-towns of Jaiprakash and Chhola, just outside the walls of the plant, leaving hundreds dead as they slept. The gas quickly enveloped the city's railway station, where beggars were huddled against the chill. In minutes, a score had died and 200 others were gravely ill. Through temples and shops, over streets and lakes, across a 25-sq.-mi. quadrant of the city, the cloud continued to spread, noiselessly and lethally. The night air was fairly cool (about 60° F), the wind was almost calm, and a heavy mist clung to the earth; those conditions prevented the gas from dissipating, as it would have done during the day.

A few hundred yards from the chemical plant, M.A. Khan, a farmer, was lying in bed when he heard several thumps at a nearby dairy farm and sensed that his own cows were milling about restlessly. He arose and went outside. Two cows were dead on the ground. A third gave out a loud groan and collapsed as Khan watched. Then the farmer's eyes began to smart painfully. He ran into the darkness. The day after, at Bhopal's Hamidia Hospital, his eyes shut tightly and tears streaming down his cheeks, Khan described his fear: "I thought it was a plague."

Others thought it was a nuclear bomb or an earthquake or the end of the world. As word of the cloud of poison began to spread, hundreds, then thousands, took to the road in flight from the fumes. In cars and rickshaws, on foot and bicycles, residents moved as fast as they could. As in some eerie science-fiction nightmare, hundreds of people blinded by the gas groped vainly toward uncontaminated air or stumbled into one another in the darkness. Others simply collapsed by the side of the road in the crush. At least 37 people who had inhaled the fumes died hours later from the effects, having reached what they thought was safety.

By week's end more than 2,500 people were dead in the worst industrial disaster the world has known. At least 1,000 more were expected to die from the fumes in the next two weeks; some 3,000 remained critically ill. In all, 150,000 people were treat-

Empty, the plant awaits investigators

ed at hospitals and clinics in Bhopal and surrounding communities. Most of the dead had succumbed because their lungs had filled with fluid, causing the equivalent of death by drowning. Others had suffered heart attacks. The disaster struck hardest at children and old people, whose lungs were either too small or too weak to withstand the poison. A number of the survivors were permanently blinded, others suffered serious lesions in their nasal and bronchial passages. Doctors also noticed concussions, paralysis and signs of epilepsy, suggesting, they said, the presence of some other chemical—perhaps phosgene, which is used to make methyl isocyanate. Six days after the accident, patients were still arriving at Hamidia Hospital at the rate of one a minute, many of them doubled over with racking coughs, gasping for breath or convulsed with violent spasms that brought a red froth to the lips.

Within hours of the leak, hundreds of victims had lined up at Hamidia Hospital and makeshift clinics, where doctors and nurses worked frantically to ease their misery. As the hospitals filled, patients gathered in the corridors or on the grounds outside; side by side, babies and children thrashed around, unable to breathe. Thousands of animals were also killed by the gas. As the days passed, a sickly stench of decay arose from the bloated carcasses of water buffalo, cattle and dogs that clogged the city's streets. Finally, the army removed them with cranes. But as long as animal and human corpses decomposed in the open air, the threat of contamination increased, and with it the specter of cholera. Meanwhile, rats scurried around the dead bodies, awakening fears of bubonic plague. For days, vultures and wild-eyed pariah dogs roamed through the piles of rotting flesh, feasting.

Rajiv Gandhi, who succeeded his mother Indira as Prime Minister after her assassination in October, broke off his campaigning for the Dec. 24 national elections to visit Bhopal. Expressing his shock and sorrow, Gandhi announced a $4 million relief fund. In addition, Arjun Singh, chief minister of Madhya Pradesh state, of which Bhopal is the capital, promised compensation of about $500 for every family that had suffered a death and $100 for every family that had a member hospitalized. President Reagan sent Gandhi a note expressing the grief shared by him and the American people.

The disaster in Bhopal was the latest in a series of major industrial mishaps around the world, some with immediate fatal results, others with lingering, long-term consequences. Last week in Taiwan, leaking methane gas in a coal shaft triggered an explosion that killed 33 miners. Two weeks earlier, a liquefied-natural-gas explosion claimed 452 lives near a Mexico City shantytown. As the list of such man-made tragedies grows, concern is rising everywhere that industrial safety standards are often higher in the U.S. than in

Teams of hospital volunteers race stricken patients through the streets of Bhopal

Eyes stinging, swollen or closed in pain, a number of survivors would likely never see again

RAGHU RAI—MAGNUM

A crane removes bloated carcasses of cattle as fears rise of contamination and epidemic

DILIP MEHTA—CONTACT

Bodies of young and old are burned together in row upon row of funeral pyres

MEHTA—CONTACT

developing countries, and that some U.S. firms may have opened plants abroad to take advantage of the disparity. Indeed, the accident in India touched off a wave of anticapitalist rhetoric. TASS, the Soviet news agency, called the disaster "the logical consequence of the general policy pursued by multinational corporations, which market low-quality products and outdated technology in developing countries." Said a U.S. embassy official in New Delhi: "This is a feast for the Communists. They'll go with it for weeks."

Prominent among the targets of that antibusiness backlash was Union Carbide. Within hours of the accident, police in Bhopal closed the plant and arrested its manager, J. Mukund, as well as four of his colleagues, on charges of "culpable homicide through negligence." When a team of five technical experts from Union Carbide's headquarters in Danbury, Conn., arrived to inspect the factory, they were turned away by local authorities. "We don't want anyone tampering with the evidence," said an official. The Indian Central Bureau of Investigation, meanwhile, seized records and logbooks at the plant, and Chief Minister Singh ordered a judicial inquiry into the accident. "This is a devastating tragedy," said Singh. "It was sudden and deadly, and there was a terrible human failure somewhere along the line. I have closed down the plant, probably forever."

Perhaps the most spectacular government action came when Warren M. Anderson, 63, Union Carbide's U.S. chairman, flew to Bhopal later in the week. Immediately after his arrival, he and two officials of the company's Indian subsidiary were arrested and charged with "negligence and criminal corporate liability" and "criminal conspiracy," which under Indian law carries a maximum penalty of death. Instead of being taken to prison, the three executives were detained at the company's comfortable Bhopal guesthouse, surrounded by 50 armed guards to protect them from possible mob attacks, and cut off from communication with the outside world. After more than six hours, Anderson was released on $2,500 bond and flown to New Delhi, while his colleagues remained in custody. "Somebody has to say that our safety standards in the U.S. are identical to those in India or Brazil or some place else," Anderson said after his release. "Same equipment, same design, same everything."

With national elections approaching, officials may have been playing for publicity with Anderson's arrest. The gesture may also have been intended to dramatize a growing demand among Indian politicians for Union Carbide to pay the same sort of compensation to Bhopal's victims that it would if they were Americans. Those U.S. rates, under which each claimant could typically win $100,000, are considerably higher than their Indian equivalents. At week's end, three American attorneys, including Melvin Belli,

filed a lawsuit in Charleston, W. Va., on behalf of Bhopal victims, asking damages of $15 billion. Said a company spokesman in Danbury: "Something like this happens, and people everywhere begin seeing dollar signs in front of their eyes."

As Indian officials began their investigations, details started to emerge about what went wrong at the plant. Methyl isocyanate, a colorless chemical compound that behaves in humans and animals like a potent form of tear gas *(see box)*, is used by Union Carbide as an ingredient in producing relatively toxic pesticides known as Sevin and Temik. At the Bhopal facility it was stored in three double-walled, stainless steel tanks, buried mostly underground to limit leakage in the event of an accident and to help shield them from air temperatures that could soar to 120° F in summer. Refrigerated to keep the highly volatile gas in its liquid form, the tanks were also equipped with thermostats, valves and other devices to warn when the temperature of the chemical exceeded 100° F, the point at which the liquid turns into a gas. Should the temperature rise further, the gas would expand, increasing pressure on the inside of the tank. Should the pressure build, a relief valve would vent the gas in order to prevent a rupture of the tank.

The Bhopal plant had two safety devices that would operate automatically in case a tank ruptured. The first was a scrubber that would neutralize the highly reactive gas by treating it with caustic soda. If the scrubber failed to do the job, another mechanism would ignite the gas and burn it off in the air harmlessly before it could do much damage.

Whether through human error or mechanical failure, neither of those safety measures worked last week. The plant had been temporarily closed for maintenance two weeks before the accident, and both the methyl isocyanate storage tanks and the pipes connecting them were under repair. According to Madanlal Ranji, president of the plant's labor union, the scrubber was also in the process of being fixed. To make matters worse, a critical panel in the control room had been removed, perhaps as part of the maintenance program, thus preventing the leak from showing up on monitors.

Almost two hours before the gas escaped, a workman noticed that the temperature in the tanks was well above 100° F and rising steadily. As a result, pressure in the tanks was mounting. The worker tried to manually operate the mechanisms that were supposed to relieve the pressure, but it had already gone too high. He alerted his supervisor, and four colleagues donned gas masks and hurried to the scene. They too were unable to seal the tank; by then, all systems had failed.

Meanwhile, panic broke out among the 120 workers still in the plant. One employee said he sounded a siren to warn the surrounding community, but few of the surviving residents recall hearing it. Many

"I Thought I Had Seen Everything"

TIME *New Delhi Bureau Chief Dean Brelis was among the first Western correspondents to arrive in Bhopal last week. His report:*

There was something eerie about getting there 30 hours after the leak. At the airport there was an air of uncertainty and even fear. Only three taxis were available, and miraculously two photographers and I got one of them. When we told the driver where we wanted to go he uttered one word, "Danger," to justify doubling the fare we had agreed upon. We accepted instantly.

At the factory, dead bodies were still on the ground, being picked up and loaded aboard a waiting truck. Everywhere one turned, people were retching, bent over horribly, racked by violent coughing that brought a red froth to their lips.

All the shops in the city were closed, and on every street people were lying in the gutters. They were dead, humped in agonized frozen postures, like birds shot from the sky. In their midst were real birds, vultures flapping their wings and shrieking at the wild-looking dogs to keep their distance. The dogs growled and waited their chance; when the vultures swooped away, the dogs would charge in and tear off pieces of flesh. Roaming through the streets, rescuing the dead from the predators, were rifle-toting soldiers of the Indian army, who were joined by volunteer vigilantes carrying long staves.

DILIP MEHTA—CONTACT

A victim moments before her cremation

Even so, there seemed to be no motion anywhere. There was a lifeless quiet, and it felt cold even though the sun was shining. It was impossible to escape from death and misery. Little children with haunted, running, swollen eyes told of scampering through the night, with no particular destination, knowing only that the gas was among them and would kill. They asked the soldiers where they could find their parents. The soldiers replied, "Wait here. A truck will be along and take you to the hospital. Everyone will be there. You will find Mummy and Daddy." The frightened children, violently coughing, their eyes swimming in tears, waited.

When the truck came, it took the children to Hamidia Hospital. More than 350 doctors, 1,000 nurses and 500 medical students were there to treat the people who came wandering in, suffering from the poisonous gas. All 750 beds were occupied, and the grounds looked like a vast, sad encampment, marked by everlasting misery and agony, spread far and wide.

Once they had reached the hospital grounds, the victims seemed to faint, collapsing to the ground as if they had walked their final mile. They looked exhausted, like soldiers at the end of a battle. After waiting patiently, often for up to six hours, the victims were treated with civility and tenderness by the doctors and nurses. The army was there too, keeping the human traffic flowing without the usual pushing and shoving. The troops had set up 60 tents, which became instant wards for 20 people each. Some distance away, the army had set up a morgue to which the patrols in the city brought the dead to be identified. Hindus were sent for cremation and Muslims for burial.

Yet for those who died, there was no solitude. The traditional Hindu rite of cremation is one body, one pyre. But there were too many dead, and not enough firewood. The only solution was to place the dead, wrapped in cotton shrouds and covered with flowers, as many as five or six corpses together, on one pyre. As a result, huge fires burned all night long, sending smoke and flames arching up the sky as if death had become a permanent part of the countryside.

Muslims were also buried in groups. Rescue workers dug graves six feet long and 15 feet wide, each holding eleven bodies. When there was no burial ground left, old tombs were opened and 100-year-old bones were displaced to make room for the victims. Even here the packs of dogs roamed about; if they found a grave that was not deep enough, they would haul out bodies and devour them. "I thought I had seen everything," said Subedar A.B. Bhosale, a soldier in the Indian army, "but this is worse than war."

of the workers reportedly began running for their lives, leaving just one supervisor in the factory to do battle with the fumes. The man, identified later as Shakeel Ahmed, collapsed from the effects of the gas before he could control it. (At week's end his condition was critical.) Nearly an hour after the gas began escaping into the air, the tank was sealed by engineers from another company, Bharat Heavy Electricals Ltd., sent in by local authorities. By that time, however, all the gas had escaped.

Government investigators hope to determine why none of the workers inside the plant died from the fumes, while outside the plant thousands were killed. The inquiries are also expected to touch on the delicate questions of why the safety systems failed and whether Union Carbide was negligent in maintaining them. Union Carbide executives firmly deny such allegations. Yet Jackson Browning, the U.S. company's corporate director of health, safety and environmental affairs, conceded that the Indian facility lacked the computerized warning system used at a sister plant in Institute, W. Va. Moreover, according to a former Indian executive of Union Carbide India, the Bhopal plant was furnished with only one manual, back-up alarm system instead of the four-stage alarm system reportedly required in the U.S.

Meanwhile, preliminary investigations by several committees, including one of Indian chemists and other experts, indicated that there had been a number of accidents at the Bhopal plant since it first went into operation in 1977. According to Chief Minister Singh, the Union Carbide facility had endured six accidents in six years before the recent tragedy. In all, he said, one worker had been killed, 47 injured and $620,000 worth of property destroyed.

DILIP MEHTA—CONTACT

Shantytowns clustered around the pesticide plant

"I thought it was a plague."

Union Carbide was first incorporated in India 50 years ago, when it began manufacturing batteries in Calcutta. The Indian subsidiary was allowed to stay on after independence from Britain and is one of the few firms in India in which the parent company is permitted to hold a majority interest, in this case 50.9%. Union Carbide has long enjoyed the favor of an Indian government eager to encourage sophisticated industry and develop the "Green Revolution" in agriculture, of which pesticides are an important ingredient. When the company built a small pesticide plant outside Bhopal in 1969, the project was approved by local authorities with the blessing of the national government. The firm was even exempted from a number of local taxes and provided with water and electricity at concessional prices.

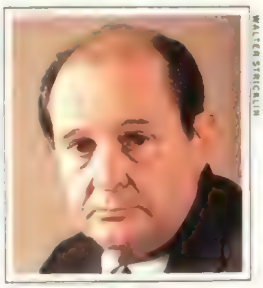
When the small installation was set up, the plant was just outside the city limits; by the time an expansion program got under way six years later, squatters had begun to settle in the once deserted area, many of them attracted by the roads and water lines that accompanied the plant. In 1975, M.N. Buch, administrator of the municipal corporation, asked that the plant be removed. Instead, Buch was promptly removed by government authorities, and the plant remained.

India's Department of the Environment last July announced strict guidelines banning the location of plants that produce such hazardous substances as gases, poisons and explosives in areas where population growth is expected. But whether the ruling was supposed to govern facilities already constructed remained uncertain. More fundamentally, the safety restrictions ran counter to local governments' desire to attract industry. So far, not a single company has been denied permission to build. When the issue of the Union Carbide plant's permit arose in the Madhya Pradesh state assembly in

Two Deadly Gases

In the early decades of the 20th century, farmers had few pesticides at their disposal more effective than arsenates to protect their crops from insect depredations. During World War II, German and Allied laboratories produced complex and lethal chemical compounds, including DDT and lindane. Since then new generations of pesticides such as carbamates (Bux Ten, Furadan and Mobam) have proved to be efficient at curbing insects and microscopic pests without producing the strong toxic effects of DDT on the environment. At the same time, however, these new silent killers still pose a potential threat to other forms of life, including human.

Last week's disaster in Bhopal focused world attention on two highly volatile and toxic gases, methyl isocyanate and phosgene. They, along with many other chemicals, are used in the production of pesticides. Methyl isocyanate (MIC) helps produce Union Carbide's Temik, a product marketed under Robert Gordon Haines, the company's manager for new pesticides. It is one of a group of chemicals called isocyanates that are used to make polyurethane, which, in turn, is used to make paint and varnish. The MIC compound also has been made in the U.S. at Union Carbide's plant in Institute, W. Va., as well as by other companies in West Germany, Japan and South Korea.



WALTER STRICKLIN

Robert Gordon Haines

MIC reacts quickly with water, and can easily be absorbed through the skin or inhaled. It causes moist human tissues like lung interiors to swell and the eyes to develop cataracts. Victims can suffocate because MIC causes the lungs to fill with fluid, and they can suffer liver damage and burning of the nasal passages, throat and trachea.

Phosgene, synthesized early in the 19th century and also known as carbonyl chloride, is a colorless, highly toxic gas. It is used to make chemicals like MIC, as well as dyes and resins. Phosgene first gained infamy during World War I, when the Germans used it alone or with chlorine in deadly gas attacks. Later, the gas came to be widely used in the manufacture of pesticides.

Because of its long history, phosgene's effects on humans are well known. Inhalation causes severe lung injury, but since the gas has no effect on the upper respiratory tract, victims have no immediate warning, other than a musty odor, that they have breathed in a poisonous gas. Choking is usually the first symptom. Then the lungs eventually fill with fluid and asphyxiation occurs. In most cases of moderate exposure to MIC, the effects are treatable. Even small doses of phosgene, however, can be lethal.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December 1982, then Labor Minister Tarasingh Viyogi took pains to remind his listeners that the plant had cost $25 million to build. "The factory is not a small stone that can be shifted elsewhere," he argued. "There is no danger to Bhopal, nor will there be."

In Bhopal and elsewhere, medical authorities last week began to grow concerned about the long-term effects of exposure to methyl isocyanate. While there is no evidence that the chemical causes cancer, doctors in Bhopal believe that many survivors of the accident may suffer from emphysema, asthma or bronchitis. In addition, some medical experts suspect that the poisoning could result in damage to the liver and the kidneys, and could have other even more harrowing effects. "The gas affects the central nervous system," said Dr. Sanjay Mittal, a doctor at Hamidia Hospital. "In my opinion, this increases the chances of permanent mental retardation." One of Mittal's senior colleagues reported that there had been eight stillbirths at Hamidia on the first day after the accident. "Pregnant women were brought to me in great pain," he said. "They had to be aborted. Children in the womb had stopped kicking and bodies were rejecting fetuses."

A more hopeful diagnosis was provided by William Brown, associate professor of biological sciences at Carnegie-Mellon University. Both respiratory ailments and blindness in people exposed to low levels of the gas will, said Brown, "go away. A chemical reaction is taking place in which the molecules of isocyanate will be turned over and excreted by the system." Even

RAGHU RAI—MAGNUM

A lifeless child is placed in a shallow grave

"Now we are mourning our dead."

Brown, however, conceded that Bhopal residents who received higher dosages would not be so fortunate. Those who endured total whitening of the eyes would, he admitted, never recover their sight, and those whose lungs were totally coated with gas would probably die of respiratory failure.

Despite the prospect of continuing medical damage, last week's tragedy may have a long-term salutary effect: it awakened a resolve across India that the episode not be repeated. "It is clear that safety standards in this country are unsatisfactory, and that every city with large industry has become a danger zone," editorialized the *Indian Express*, one of India's most prestigious English-language dailies. It was equally clear that the country, which in its 37 years of independence has weathered floods and famines, riots and rebellions, would nonetheless be haunted and chastened by last week's disaster for decades to come.

Again and again, Prime Minister Gandhi and his ministers reiterated last week their determination to impose, and enforce, new and stricter industrial safety regulations. "We are concerned not only about this plant but about similar places as well," said Gandhi at Bhopal. "I believe there must be an overall government policy change."

For all the resolutions, perhaps the most poignant comments came from agonized survivors like A. Raoof, a Bhopal farmer. "We never understood why they would build a factory containing poison gas close to where people live," said Raoof, still choking 30 hours after the gas seeped through his home. "They could have gone out in the jungle where no one lives. Now we are mourning our dead." As he spoke, silent processions of survivors carried the dead, wrapped in white cotton shrouds and covered with flowers, through the streets of the poisoned city to the nearby Chhola Vishram cremation site. There, four, five, six bodies were thrown onto a pyre that usually served only one. Rows upon rows of pyres burned through the night. —**By Pico Iyer.**

Reported by Dean Brelis/Bhopal

Catalog of Catastrophe

Despite precautions, the manufacture and storage of sophisticated chemicals can occasionally lead to accidental tragedy. Among the major catastrophes of the modern industrial era:

Mexico City, Nov. 19, 1984. Shortly before dawn, liquefied-gas tanks exploded at the San Juan Ixhuatepec storage facility operated by state-owned Petróleos Mexicanos. The resulting fire took 452 lives and injured 4,248 in Mexico's largest industrial disaster; 1,000 people are still missing.

Cubatão, Brazil, Feb. 25, 1984. Gasoline from a leaky pipeline in this southeast Brazilian town exploded into a giant fireball that killed at least 500 people.

San Carlos de la Rápita, Spain, July 11, 1978. An overloaded 38-ton tank truck carrying 1,518 cu. ft. of combustible propylene gas skidded around a bend in the road and slammed into a wall, sending 100-ft.-high flames into a campsite where 780 tourists were eating, sunbathing and swimming. The death toll: 215.

Seveso, Italy, July 10, 1976. Between 1 lb. and 22 lbs. of poisonous dioxin were released into the atmosphere over an area of 4,500 acres when a chemical reaction at the Hoffman-La Roche plant set off an explosion. More than 1,000 residents were forced to flee, and many children developed a disfiguring rash called chloracne, but no lives were lost.

Flixborough on Humberside, England, June 1, 1974. Britain's biggest peacetime explosion occurred at the Nypro (U.K.) Ltd. chemical plant when a pipe ruptured. The plant produced Caprolactum, which is woven into nylon. The blast killed 28 workers and leveled every building on the 60-acre site.

Ludwigshafen, Germany, July 28, 1948. A railway car transporting dimethylether, used in making acetic acid and dimethylsulfate, to the I.G. Farben chemical plant, exploded inside the factory gates. The blast and resulting fire killed 207 people and injured 4,000.

Texas City, Texas, April 16, 1947. During the night of April 15, a fire broke out on the *Grand Camp*, a freighter anchored in the harbor of this port town on Galveston Bay. The *Grand Camp* carried 1,400 tons of ammonium nitrate fertilizer. At 8 the next morning, the *Grand Camp* exploded in a blast that rattled windows 150 miles away. Flames leaped 700 ft. to a nearby Monsanto plant that produced styrene, a combustible ingredient of synthetic rubber. Minutes later the Monsanto plant exploded, setting off fires throughout the city. On April 17 the freighter *High Flyer*, also loaded with nitrates, exploded in the harbor. The toll: 576 dead, 2,000 seriously injured.

Cleveland, Oct. 20, 1944. A liquefied-natural-gas tank belonging to the East Ohio Gas Co. developed a structural weakness that led to a huge explosion. The blast and fire killed 131.

Oppau, Germany, Sept. 21, 1921. The biggest chemical explosion in German history occurred in a warehouse about 50 miles south of Frankfurt when workers used dynamite to pry loose 4,000 tons of caked ammonium nitrate fertilizer. The blast killed 561 people and leveled houses four miles away.

Hazards Of a Toxic Wasteland

Learning to cope with high-tech risks

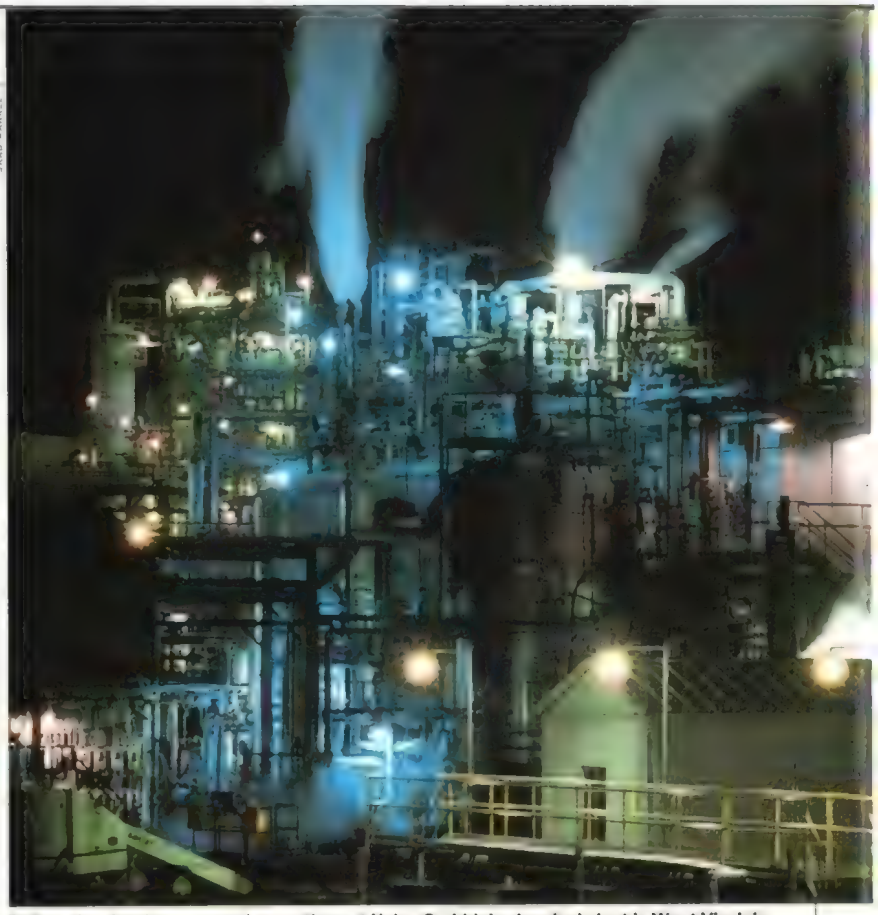
We are, all of us, out there on emergency bivouac.
—Annie Dillard, *Pilgrim at Tinker Creek*

In Middleport, N.Y., a small community northeast of Buffalo, elementary schoolchildren huddle over their notebooks, just 400 yards from a pesticide factory operated by the FMC Corp. A month ago a faulty pump at the neighboring plant spewed out methyl isocyanate gas, the same substance that was stored at Bhopal, India, where more than 2,500 people died last week. Firemen evacuated the 600 youngsters from the school, and 30 of them were treated for eye irritations.

Some 7,000 miles away from Middleport, schoolchildren in Tokyo practice drills very much like the air-raid exercises of the '50s, ducking under their desks at the screech of an alarm. Reason: if a large earthquake hits the city—as one did in 1983—the network of gas pipes that circulates throughout Tokyo could explode, unleashing, among other things, a deadly blizzard of flying glass.

That problem will not affect Times Beach, Mo. Windows in the houses there are boarded up, and the wind whistles down the lonely streets of a newly created ghost town. Last year more than 2,000 inhabitants left when the water and ground were found to be contaminated with dangerous levels of dioxin.

The participants in all three cases face a common dilemma: industrial dangers. Those hazards can be divided into two rough categories: primary and secondary disasters. Primary disasters are the quick explosions, fires or leaks that strike with the surprise of a hurricane, killing instantly and widely. The tragedy last week at Bhopal, when deadly gas escaped from a Union Carbide plant, was of the primary variety. Such violent, large-scale tragedies are dramatic and terrible, but extremely rare, particularly in developed nations like the U.S. The occasional deaths that do occur in those mishaps are almost always confined to employees who were on site at the time. "There are a lot of accidents in which two dozen miners are killed," says a spokesman for the Occupational Safety and Health Administration in Washington. "But fortunately, there have been damn few in which great numbers of civilians have been involved."



BRAD MARKEL

Before the shutdown: normal operations at Union Carbide's chemical plant in West Virginia

More chronically worrisome to environmentalists are the secondary disasters, those that lead to the slow poisoning of ground or water. Hazardous- and nuclear-waste dumping fit into this category. With little knowledge or thought of the long-term consequences, factory trash containing polychlorinated biphenyls (PCBs), chloroform, dioxin and radioactive traces is buried underground or dumped into the ocean. Although absolute links are difficult to prove scientifically, many of the chemicals in hazardous wastes are believed to cause cancer and birth defects. More than 66,000 different compounds are used in industry, and less than 2% have been tested for possible side effects. Over the years the dangers of slow, toxic seepage may far outweigh the confined outburst of a primary disaster.

Nevertheless, the specter of a violent chemical explosion is very real. Late in November, for example, Mexico suffered its worst industrial calamity when a series of gas tanks exploded in San Juan Ixhuatepec, a suburb of Mexico City, killing 452 people.

There are 30 other big gas plants in and around Mexico City, the world's largest metropolis (pop. 18 million). One facility frequently cited as a potential "time bomb" is a refinery at Azcapotzalco, in the northern part of the city, that was built in 1959. At the time, few people lived in the area; now the neighborhood is as crowded as the rest of Mexico City. Says one worried housewife: "If there were an accident, we would be talking of thousands of lives lost, not hundreds." In the aftermath of the San Juan Ixhuatepec disaster, there have been calls to shut down or relocate the refinery to more isolated quarters, but either course would cost a prohibitive $300 million. "High risk," said a report by the Mexican presidential commission on industrial accidents, "should

A timely warning at Institute, W. Va., factory

"We are the safest industry in the U.S."

JACK MECCA

Derailment of a petrochemical train in Louisiana; "People were kept away for two weeks"

not be interpreted as imminent danger."

In another example of a primary mishap in North America, plumes of noxious malathion last October wafted from an American Cyanamid pesticide plant in New Jersey to cover most of Staten Island, N.Y. About 150 people were treated after inhaling the fumes.

Western Europe also has its share of potential disasters. That lesson was made clear eight years ago, when a chemical reaction at a plant in Seveso, outside Milan, Italy, set off a mild explosion, discharging a cloud of between 1 lb. and 22 lbs. of poisonous dioxin into the atmosphere. Since then, 10 million cu. ft. of contaminated earth has been buried in large pits and covered with clay, plastic sheets and cement. Newly seeded grass masks any signs of the event. Although no one died because of the mishap, it remains to be seen whether the local cancer rate will have increased as a result of the severe dioxin exposure.

Several European countries produce or import an array of deadly compounds, among them methyl isocyanate (MIC). In Britain, a division of Ciba-Geigy Chemicals, Ltd., is the only company permitted to deal with the substance. Located two miles from Grimsby, a town of 92,000, the firm imports and stores the chemical in 45-gal. stainless-steel drums. No more than 18,000 gal. is kept in stock at one time. But even with these precautions, Grimsby villagers gathered in protest after they found out that the lethal compound was being held in their midst. They were led by Anthony White, a resident of nearby Pyewipe, who said bitterly: "If someone mentally disturbed broke into the works and released the stuff, we would all be killed."

Among the biggest stockpilers of MIC in Europe is France. In the southern countryside of Béziers, La Littorale, SA, a Union Carbide affiliate, stores some 20 tons of the chemical, which it imports from the U.S. because the French government prohibits the manufacture of MIC. La Littorale officials proudly point to the facility's extensive security features. The air in the plant is automatically monitored, and should any gas escape from a drum an alarm would call in a crack emergency team. If large enough, the leak would also trigger a water system to deluge and wash down the MIC. Declares Heinz Trautmann, president of La Littorale: "The situation in France is very different from that in India."

In the tragic wake of Bhopal, safety reviews are under way in most of the U.S., the world's biggest producer and user of MIC and other pesticides. Nearly a billion tons of pesticides and herbicides, comprising 225 different chemicals, was produced in the U.S. last year, and an additional 79 million lbs. was imported. MIC is stored or used at plants in New York, West Virginia, Texas, Alabama and Georgia. Those insecticides not dependent on the compound, like malathion, are also constructed of toxic molecules. Dow Chemical Co., one of the nation's largest producers of agricultural and industrial chemicals, is reconsidering its safety and spillage codes. American Cyanamid, a major chemical manufacturer, is busy comparing its emergency procedures with those of Union Carbide.

Nor are chemical firms alone in their soul searching. As the world's industrial leader, the U.S. has 219 operating oil refineries, more than any other country. It is crisscrossed by 250,000 miles of oil pipelines and 1.3 million miles of natural gas conduits. Sometimes refineries and storage tanks are clumped together like rusting armadas of iron behemoths, belching smoke into the sky. Along the New Jersey Turnpike, near the towns of Linden and Carteret, many oil storage tanks are higher than a ten-story apartment building. Should a plane from nearby Newark International Airport crash into that complex, the resulting fireball could engulf one of the most heavily populated areas of the nation. Fire drills at plants in northern New Jersey have been stepped up since the Mexican explosion.

Given the potential for calamity, the safety record of the American chemical and energy industries is impressive. Last year U.S. chemical firms had 5.2 reported occupational injuries per 100 workers, an outstanding record in manufacturing. Declares Geraldine Cox, technical director for the Chemical Manufacturers' Association: "We are the safest industry in the U.S."

Disasters do take place, of course, but they are more likely to strike developing nations than industrialized ones. The reasons are both complex and delicate. Some critics charge that corporate greed is at fault, that big businesses will set up shop in a poor nation simply to take advantage of cheap labor and lax laws. Says David Bull, chief of the Environment Liaison Center in Nairobi, Kenya: "There is a growing tendency for the larger multinational chemical concerns to locate their more hazardous factories in developing countries to escape the stringent safety regulations which they must follow at home."

Others insist that the answers are not so straightforward. Subsidiaries of American firms claim that they generally rely on existing specifications of domestic plants to design foreign ones; there are no structural discrepancies between the two. Where the factories differ is in the local conditions: petrochemical facilities in the U.S. are often strategically placed in remote areas; when a factory is built in a developing nation, it may start out in an isolated spot, but needy workers soon gravitate toward it in search of a job. What is more, with superior roadways and familiar emergency procedures, potential U.S. victims are more easily evacuated from a hot spot. After a train loaded with a toxic brew of chemicals derailed in Louisiana two years ago, 2,700 inhabitants of the nearby town were moved out almost immediately. Says Martin Henry, director of

field services for the Boston-based National Fire Protection Association: "People were evacuated within an hour and kept away for two weeks."

Ironically, government has policed industry less effectively than industry has policed itself. One good reason: safety pays. The fewer accidents, the lower the medical costs and worker compensation insurance payments, and the less labor time lost to recovery. Says Jeffrey Leonard, a senior associate at the Conservation Foundation in Washington: "Safety centers a lot more on human procedures than on the question of regulation."

Not so the cost of environmental controls and cleanup, which may be why long-term toxic-waste problems are more consequential issues than unusual disasters. Environmentalists stress that worries about the big blowup should not distract attention from the regulations and enforcement needed to beat back the world's ever growing piles of poisonous and nuclear sludge. According to the Environmental Protection Agency (EPA), U.S. industry, from the giant conglomerates to the local dry cleaner, annually produce some 90 billion lbs. of toxic wastes, laced not only with familiar poisons, including arsenic and mercury, but with exotic ingredients like trichlorophenol, used in the manufacture of herbicides.

Regardless of their potency, only 10% of the chemicals are disposed of properly; the rest are dumped as conveniently as possible: into rivers, inadequate landfills, abandoned mine shafts, old missile silos, swamps and fields. The Natural Resources Defense Council in New York estimates that there are as many as 50,000 toxic-waste dumps around the U.S. At least 14,000 of these sites are or soon could be dangerous; their contents are dripping into soil or water supplies. The full effects of these gradual seepages may not be felt for ten to 15 years, the time it takes for some cancers to be recognized.

Perhaps the classic example of a hazardous-waste site is Love Canal in Niagara Falls. Over a period of 20 years, Hooker Chemical Co. dumped millions of barrels of industrial wastes into a landfill site. The acres were covered over and sold to the city in 1953. Houses were constructed, families moved in. By the early '70s, the basements of the homes were flooded with black ooze from the toxic wastes, and the people living atop the mess were complaining to their doctors of asthma, kidney disease, hepatitis and birth defects. In 1978, dozens of families were evacuated and some of their houses were bought from them by the state. The words "Love Canal" became synonymous with poison.

Elsewhere in the nation, communities have been disrupted by toxic chemicals. Children in Woburn, Mass., are victims of one of the highest rates of leukemia in America. Eleven of the 17 who have died from that cancer lived within half a mile of two wells that have been contaminated by a chemical dump. Even California's Silicon Valley, once the picture of high-tech wholesomeness, now suffers from waste woes. The problem first came to light two years ago, after a group of residents claimed that the birth-defect rate in Los Paseos, a suburb of San Jose, had jumped. At the same time, it was discovered that the Fairchild Camera and Instrument company, among others, was leaking perilous solvents into the community drinking water, although the two events have not been conclusively linked. By the reckoning of the Silicon Valley Toxics Coalition, chemical leaks from dumps at computer and bioengineering firms threaten many more sources of water supply. Says Activist Lawyer Ted Smith of San Jose: "If we lose the underground water basin, it's back to the desert here."

A brief trip around the world might reveal a globe bulging at the seams with man's effluvium. Last September, the owners of a Re-Chem International chemical-waste-reprocessing plant in central Scotland announced that they were closing "for financial reasons." Local citizens and Greenpeace activists blame the plant for the local babies that have been born with severe visual defects and sometimes without eyes at all. There is an unusually high rate of cancer in the area. Analysis from the government chemist's office confirmed that the plant's burning of PCBs was giving off dioxins.

FINLEY—GAMMA-LIAISON

In the wake of dioxin: workers clear away debris in a section of Times Beach, Mo.

The houses are boarded up, and the wind whistles down lonely streets.

Although critics of nuclear-waste disposal have been particularly outspoken, the problem has not yet become as pressing as toxic dumps. In the U.S., there are many sites where low-level radioactive wastes are discarded, but scientists have yet to figure out what to do with the highly radioactive material that is stockpiling at nuclear plants around the country.

Despite widespread indifference, some progress in waste management is beginning to emerge. Both California and Louisiana, among the leaders in policing efforts, now have "toxic-material task forces." Under the direction of the state police, the Louisiana unit has full jurisdiction over transportation of hazardous goods in the state, and frequently stops careless truckers of dangerous materials to hand out fines. A toxic-waste "strike force," serving the county of Los Angeles for the past two years, boasts that it has sent twelve high-ranking officials from various companies to prison for illegally dumping hazardous waste. The message, says Barry Groveman, special assistant to the Los Angeles County district attorney's office, "is that hazardous-waste dumping is a violent crime against the community."

There is a limit, of course, to how much can be done to detoxify contaminated landfill or to turn a freshly percolating mass of lethal chemicals into the equivalent of whole-wheat flour. That limit is money. In the U.S. alone, the EPA estimates, it would take at least ten years to clean up the 2,200 most dangerous waste sites and require up to ten times the $1.6 billion Congress allocated for the job in 1980.

In a world where rapid economic development is critical to the survival of the poorest, painstaking environmental concerns and flawless safeguards against disaster often seem like impossible or impractical luxuries. Lurching sometimes, stumbling at others, technology and its many implications move forward. "As a society," says Michael Brown, author of *Laying Waste*, a study of toxic chemicals in America, "we have to accept reasonable risks in order to reap reasonable benefits." Knowing the benefits is easy. The hard part is achieving acceptable odds on the risks. —***By Natalie Angier. Reported by Jay Branegan/Washington and Peter Stoler/New York, with other bureaus***

An Unending Search for Safety

The goal: isolated plants, good engineering and careful workers

Every day in the U.S. the chemical and petroleum industries produce about 275 million gal. of gasoline, 2.5 million lbs. of pesticides and herbicides, and nearly 723,000 tons of dangerous wastes. Some 250,000 loads of hazardous materials, chiefly petrochemicals, are shipped across the country by rail or road. Considering the volume of this production and movement, fatal accidents are few, just eight deaths last year. One reason, contends the chemical industry, is its elaborate and expensive safety precautions. Says Bruce Karrh, a physician who is also vice president for safety, health and environmental affairs for Du Pont: "We began by manufacturing explosives, and we have retained our extreme sensitivity for the question of safety." The attentiveness has paid off. The chemical industry's safety record in 1983 showed 5.2 reported occupational injuries per 100 workers, *vs.* a 7.5 average for all manufacturing.

The quest for safety starts with plant construction. Whenever possible, chemical companies have tried to build factories away from population centers. Especially overseas, those factories often become magnets, attracting other business and housing. Says Jeffrey Leonard, senior associate at the Washington-based Conservation Foundation: "Many plants are located on the outskirts of cities only to have the sites overrun by bursting populations." Union Carbide officials point out that the Bhopal factory was built in the early 1970s on a site surrounded by unused public land, but a community grew up around it. At the Pemex plant in Mexico, where an explosion killed at least 452 people last month, a city of shanties developed in the 20 years after the facility was constructed.

Petrochemical companies attempt to build safety into their plants from the bottom up. Says Geraldine Cox, vice president and technical director for the Chemical Manufacturers Association, a trade group: "We try to design safety into our systems." That frequently means extensive redundancy—two valves, for example, where only one is needed. It means building storage tanks to withstand pressures and temperatures well above expected maximums. Adds Cox: "It's a process of calculating extremes, then designing beyond that." Every year the association reviews 1,200 engineering standards with an eye to making them sharper and tougher. American Cyanamid, a New Jersey–based chemical company, spent more than $10 million on safety features for just one plant in Pearl River, N.Y., where 4,000 people are employed. Allied, another New Jersey chemical giant, estimates that between 15% and 30% of the capital cost of building or expanding its plants is spent on features designed to assure their safe operation.

Once built, U.S. chemical plants are maintained according to rigorous schedules. Allied says that so far this year its safety systems have undergone 48 reviews by outside consultants, 70 studies by insurance companies and more than 30 inspections by company officials. At plants around the U.S., Du Pont fire-brigade people and local fire fighters train together once a year at the company's expense.

Good engineering and careful inspections, however, are not enough, since the most frequent cause of accidents is human error. Companies and manufacturing groups have a continual program of training films, manuals and classroom instruction to educate workers on safety procedures and what to do in case of accidents. Allied says that as much as one-quarter of a manufacturing supervisor's time is devoted to health, safety and environmental training.

Many of the most serious industrial-safety problems involve the transportation of chemicals. In elaborate detail, the Department of Transportation has compiled regulations for the handling of 3,000 dangerous products. Says Thomas Charlton, chief of the standards division in the department's office of hazardous materials: "We regulate every container from laboratory jars to railroad tank cars."

Trucks used for shipping chemicals must be strong enough to survive a rollover without breaking open, and tank cars a derailment. Hydrogen cyanide, a lethal poison, can be transported only in carriers with 1-in.-thick, high-strength steel bulkheads. When a railroad car carrying petrochemicals overturns, the reason may be loose rails, which can break off from their ties and puncture the front of an oncoming tank car. Therefore, industry rules were established that call for adding more insulation and head shields. Cost: $452 million.

Many regulations for transporting dangerous materials have been born of disasters. In 1978, 23 cars of a slow-moving Louisville and Nashville train derailed in Waverly, Tenn. A day later, a tanker containing propane exploded, killing 16 railroad workers, Government officials and bystanders, and injuring 30 others. Investigators learned that a railroad wheel had broken and had sent the cars off the track. Later, the Government banned that type of wheel from use on trains carrying hazardous materials.

Even with the best equipment and well-trained workers, mishaps can still occur. Since 1972, the Chemical Manufacturers Association has maintained CHEMTREC, the chemical transportation emergency response center, to help local authorities. CHEMTREC staffs a round-the-clock 800-number hotline. Police and fire officials can call to find out what kind of chemical they are dealing with in a spill, and what to do about it. CHEMTREC's files contain information on 60,000 substances. Its communications lines can link fire fighters and company experts in transcontinental conference calls. For spills of unusually hazardous materials, such as cyanide, chlorine, vinyl chloride and liquefied petroleum gas, chemical manufacturers use CHEMTREC as a communications command center. Dispatchers will then notify the technical team closest to the spill.

While stunned by the Indian disaster, American chemical engineers are eager to learn its causes so that it will not be repeated. Says Du Pont's Karrh: "We cannot dismiss a catastrophe like Union Carbide's. We are awaiting the results of the investigation, and you can be sure that we will learn from it all we can." —*By John S. DeMott. Reported by Jay Branegan/Washington and Raji Samghabadi/New York*

A Dow Chemical employee working on a rail tank car carefully examines valves

Good engineering is not enough since the most frequent cause of mishaps is human error.

Could It Happen in West Virginia?

Institute's residents reflect on life with "that stuff"

Residents of West Virginia's Kanawha Valley complain about the putrid smell that sometimes hangs over the area, comparing it to the odor of dead rats and rotten cabbage. But to many locals the sulfurous aromas spewing from a dozen plants spread along a 30-mile section known locally as Chemical Valley are still "the smell of meat and potatoes." That is because these factories pay the wages of 10,000 people in a state that suffers the highest unemployment rate in the nation (16%). Says Bob Harbert, 36, a cab driver in Nitro, W. Va. (named for a plant that produced nitroglycerin during World War I): "Jobs are scarce here. Nobody thinks about the dangers. If something's going to happen, it's going to happen."

That hearty fatalism is typical of Institute, W. Va., an unincorporated town eight miles west of Charleston. Most of its 500 permanent residents are black; an additional 300 people are handicapped and live at a local rehabilitation center; and 4,000 students attend nearby West Virginia State College. The town has three restaurants, two gas stations, one barbershop and a sprawling Union Carbide plant. It is the only site in the U.S. that produces methyl isocyanate, the deadly chemical that wafted through Bhopal, India.

Until last week, few people in Institute knew exactly what Union Carbide was producing just a short walk from their homes. Only a handful of residents are among the plant's 1,450 employees, though most of the town's modest frame homes have views of the plant's towering smokestacks. Even after the chemical's horrible effects were demonstrated half a world away, residents rarely referred to it by its proper name, preferring to call it "that stuff." Says Charles White, 59, a college official who lives a quarter-mile from the Union Carbide facility: "Most of us have lived around the plant forever. It's something we've grown to accept. We have been so used to hearing the sirens at the plant that they have sort of lulled us to sleep. A lot of times things get out in the air around here, and our eyes burn and our throats get scratchy. But we never thought they were making anything so deadly as that stuff."

The sirens that sound two or three times a week are usually minor alarms. "If someone falls down the stairs, an alarm goes off," says Plant Spokesman Dick Henderson. "It's just our way of communication." But real emergencies in the valley have occurred. Chemical-plant explosions have killed 14 people since 1941. At various other times over the past 17 years, thousands of residents have had to evacuate their homes because of lethal gas leaks. In 1978, one plant worker in Institute was hospitalized and 88 others were examined by doctors after a leak of phosgene.

More worrisome in the long run, reports by the West Virginia state health department show that the incidence of respiratory cancer is higher in Chemical Valley than in the nation as a whole. Says Wayne Ferguson, a West Virginia State official: "My father, who never smoked or drank in his entire life, had cancer of the larynx. He was a professor at the college. His classroom window looked out at the plant." Ferguson would "love to see the plant close," but adds, "I'm probably in the minority around here."

Many of the town's residents and plant workers praise Union Carbide for its safety record. They speak glowingly of how the plant was one of the few in the region that did not lay off workers during the recession. The news from India did not trigger panic. Says Nelljean Holmes, whose husband has worked at the plant for the past 24 years: "The first thing I thought of was that maybe they didn't have qualified workers at the plant in India. I just don't think what happened in India could happen here." Standing outside the plant during a shift change last week, Union Carbide Worker Gary Bailey said, "I don't think there would be a disaster here. This plant knows enough about safety, and they check everything on a regular basis. It doesn't scare me a bit." Said Longtime Resident Tracy Howard, 80, the town's unofficial historian: "Shucks, you can walk into the street and get hit by a car. I've built houses all my life. I could have fallen off a roof at any time. You just have to watch out."

Some residents are less sanguine. Says Gilbert Flores, director of security at West Virginia State: "What happened in India has made everybody aware that it could happen here. It's got some people upset. There's no direct emergency network between the plant and the school. There has never been a practice evacuation. There is no evacuation plan for the town."

If an immediate full-scale evacuation were ever needed, it might well prove to be disastrous. "If everyone got into their cars and tried to leave the town by road, there'd be a massive traffic jam," says Plant Spokesman Henderson. "That's the way the valley's built." Henderson quickly points out, however, that because of the plant's safety features, such an evacuation would be very unlikely. Nonetheless, he says that in response to the growing concern, Union Carbide plans to work with the residents in devising an escape plan.

Still, Institute has no police department, only a volunteer fire department. There are wind socks at the plant to indicate the direction taken by an inadvertent leak, but none in residential areas. And the present plant warning system has left many people utterly confused. Says White: "If there are two blasts from the whistles that means a fire or emergency in the plant. If there are three blasts that means a gas release in the plant. If there are blasts every three seconds that means there's a danger for the people outside the plant. Now I ask you, how many people are going to sit there with stop watches and time the blasts?"

American flags at the Institute facility were flying at half-staff last week in memory of the dead in Bhopal. Union Carbide has suspended production of methyl isocyanate and halted shipments until officials are able to determine what went wrong at Institute's sister plant. The company has also canceled all Christmas parties. Says Henderson: "We just feel it's inappropriate at this time." —*By Jamie Murphy. Reported by Carolyn Lesh/Institute*

BRAD MARKEL

Union Carbide plant looms over Institute homes

A source of jobs and occasional expressions of worry.

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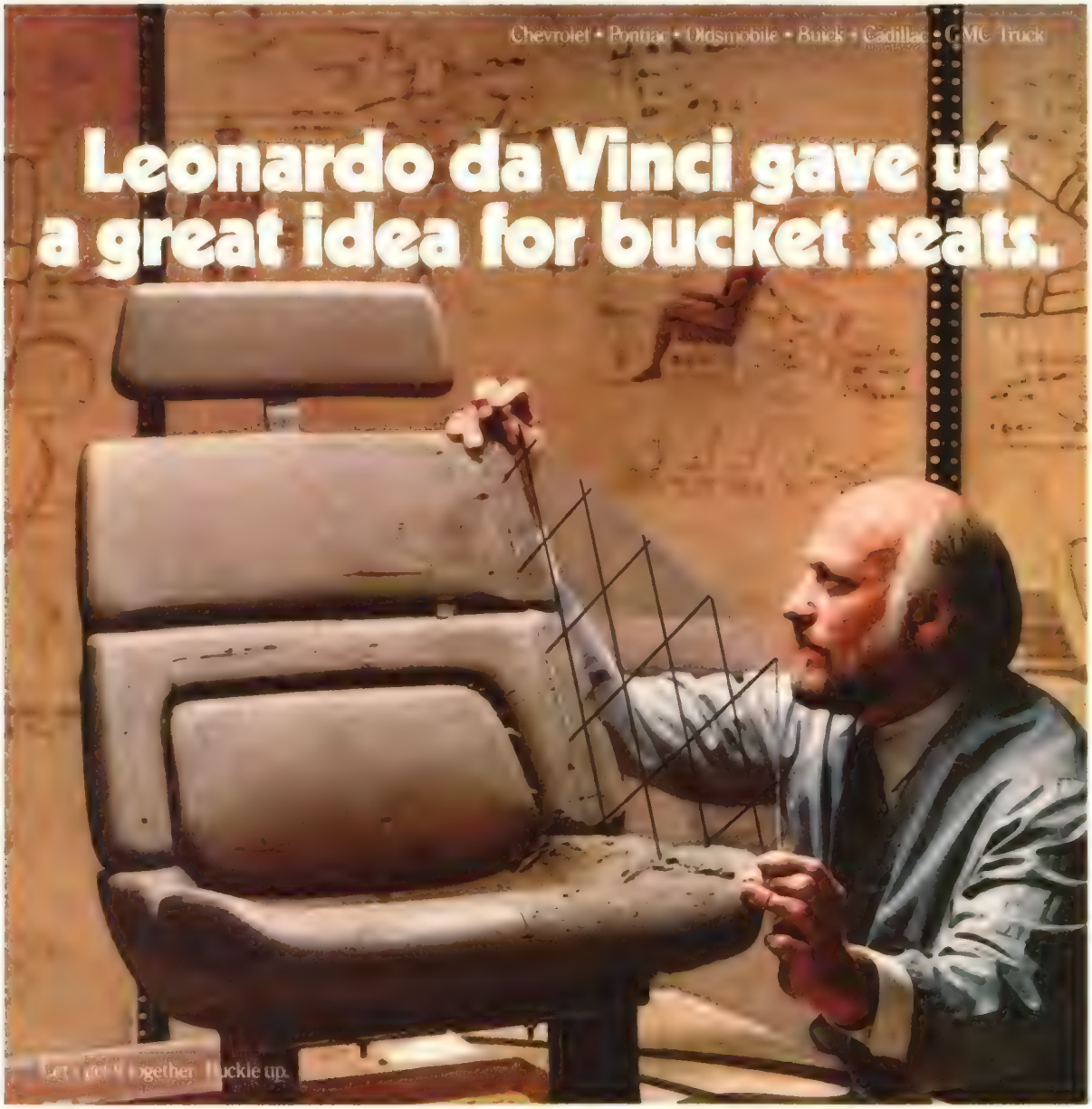

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A Calamity for Union Carbide

The financial future of the chemical giant is in question

The Bhopal disaster was both a human tragedy of historic proportions and a nightmare for one of the largest and best-known U.S. corporations. The horrible dimensions of the accident last week stunned Union Carbide's executives, employees and shareholders. Jittery investors dumped the company's stock, which plunged 12 points to close the week at 37. But the problems for the company may be only beginning. Union Carbide faces the prospect of a long, costly series of lawsuits that could endanger the corporation's financial future.

There is no way to put a price tag on the damage done to Union Carbide's image in the 38 countries, from Nigeria to New Zealand, where it has factories and the 130 nations in which it sells products. In West Germany, protesters last week spray-painted the words POISONERS and PIGS on the walls of a Union Carbide plant and dropped two gasoline bombs at the site. One exploded, but there were no injuries.

At Union Carbide offices around the world, the mood was somber. Said an executive at the corporation's Danbury, Conn., headquarters: "People were scared to death by the company's falling stock price, but most of all they felt terrible about the tragedy." On Thursday at noon the company's 100,000 employees worldwide observed a moment of silence for the Bhopal victims. Without any prompting from superiors, managers launched safety reviews of their operations.

The $15 billion in damages demanded in the first lawsuit filed on behalf of the victims last week is a staggering sum, even for a company the size of Union Carbide. With assets of $10 billion and 1983 sales of $9 billion, it is the 37th-largest U.S. industrial corporation and the third-biggest chemical manufacturer after Du Pont and Dow.

Union Carbide's management has tried to allay shareholders' fears. "The Bhopal tragedy is without precedent," said an official statement. "But considering both the insurance and other resources available, the financial structure of Union Carbide is not threatened." The company would not reveal the source or the extent of its insurance protection against industrial accidents. Cigna, a Philadelphia-based financial-services company, disclosed that it could be responsible for a tiny fraction—no more than about $1 million—of Union Carbide's potential insurance claims. Said a Cigna spokesman: "Our exposure is minimal and certainly will have no effect on earnings."

A crucial uncertainty for Union Carbide is whether courts will conclude that it was negligent and therefore assess punitive as well as compensatory damages. In general, insurance policies do not cover punitive damages. Standard & Poor's estimated that Union Carbide could absorb up to $300 million in accident-related liability costs. Nonetheless, the financial-rating agency put Union Carbide's bonds on a "credit watch" to warn investors about potential risks.

On Wall Street there was some speculation that the company might have to declare bankruptcy and then reorganize to avoid some of the damage payments. In 1982 Manville took that controversial route when it was in danger of being overwhelmed by lawsuits related to its manufacture of asbestos. Most of the problems began in World War II, when thousands of shipyard workers were exposed to asbestos. They later developed serious lung diseases and cancer. Manville is now operating under the protection of the bankruptcy laws, and its profits are insulated from legal claims while it tries to negotiate settlements of the suits. Union Carbide has strongly denied that it is even considering filing for bankruptcy.

RUSS KINNE

Chairman Warren Anderson flew to the site of the accident

Around the world, the firm observed a moment of silence.

The Bhopal disaster came as a shock to the chemical industry because Union Carbide is noted for its safety concerns. Said Dan Edwards, director of health and safety for the Oil, Chemical and Atomic Workers International Union: "The large chemical manufacturers have pretty good track records for health and safety, and I'd say Union Carbide is above average." Said Hugh Kaufman, a hazardous-waste specialist at the Environmental Protection Agency: "I'm not surprised that something like this happened, but I am surprised that it was Union Carbide."

Up to now, the company's most publicized environmental problems have involved pollution. In the late 1960s, environmentalists charged that a Union Carbide iron-alloy plant in Alloy, W. Va., was "the smokiest factory in the world." Since then, the company has reduced smokestack emissions at its factories and adopted measures to ensure the safe disposal of chemical wastes.

The Bhopal accident is by far the worst crisis ever to face Union Carbide. The company grew out of a firm founded in 1886 that produced the first dry-cell battery. Union Carbide played a key role in the Manhattan Project, which developed the atomic bomb. Over the years many of the firm's products, including Eveready batteries, Glad bags, Prestone antifreeze and Simoniz car wax, have become popular items in America's households. But the company's best customers are businesses. Major products include polyethylene and other petrochemicals, industrial gases like acetylene and argon, and pesticides. Such industrial lines accounted for 79% of sales in 1983.

Last week's tragedy was a personal trauma for Union Carbide Chairman Warren Anderson, who has spent 39 years at the company. A graduate of Colgate, where he was a chemistry major and a football letterman, Anderson joined Union Carbide in 1945 as a salesman and moved steadily up the ranks to the chairmanship in 1982. Employees last week admired the way he rushed to India after the accident, even though he knew that he would surely face trouble as soon as he stepped off the airplane. Anderson has been trying to give new momentum to a company that is still reeling from the 1981-82 recession and a worldwide glut of petrochemicals. Annual profits reached a peak of $890 million in 1980, but fell by 91% to $79 million in 1983. The price of Union Carbide's stock had dropped from a peak of 74 in 1983 to 49 before the accident.

A comeback will be all the more difficult after Bhopal. Said one Wall Street analyst: "In cases like this, a company's stock goes into a tunnel and does not come out for a number of years."

For Union Carbide, one bitter irony of the tragedy was that the Bhopal plant was at best a marginal operation because of slumping demand for pesticides. Sales of products from the facility dropped 23% last year to $17 million, and the plant was operating at less than one-third of capacity. —***By Charles P. Alexander. Reported by Peter Stoler/New York***

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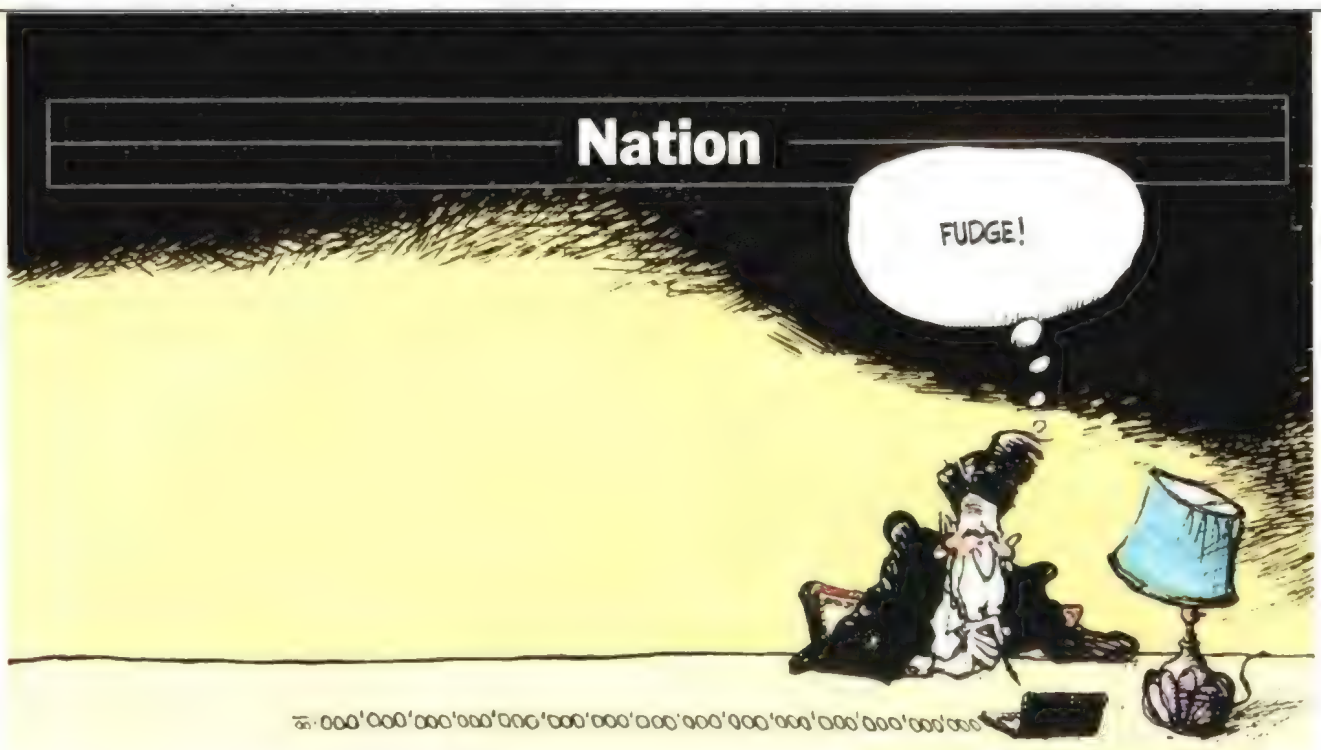

Ronald Reagan balances his checkbook

Cutting to the Quick

Reagan unveils a budget plan that kills, chops and freezes

Parts of the scheme had been leaked in advance, and everyone assumed it was only an opening gambit. Even so, the scope of President Reagan's budget-cutting proposal was little short of staggering. As presented to the Cabinet last week, it would freeze dozens of politically popular spending programs and mark others for outright extinction. Among the phase-outs: the Small Business Administration and the Job Corps. In the plan's single biggest surprise, the President recommended a 5% pay cut next year for the Federal Government's 2.1 million civilian employees, an idea untried since the depths of the Depression. He prodded Cabinet members to look for additional cuts of their own. Said Reagan, with combative jauntiness: "All contributions will be gratefully accepted."

To be sure, much of what Reagan outlined could still be changed within Administration councils, although the President took the unusual step of warning Cabinet members that he had personally reviewed the document virtually line by line with its author, Budget Director David Stockman, and saw little need for the usual special pleas. The President's next step will be to incorporate the first-year provisions of his plan into a 1986 budget message, due for delivery to Congress early next year. The budget's fate will then be thrashed out in congressional hearings and committee meetings that will drag on into the summer, with results that are anything but predictable. The Reaganauts plan to win the Senate's cooperation and then "go to the people" if the House balks at their cuts.

Reagan voiced his warmest praise yet last week for another far-reaching economic draft on his desk, calling the Treasury Department's tax-reform plan "the best proposal for changing the tax system that has ever occurred within my lifetime." Yet he stopped well short of endorsing it, while making clear that the deficit-reduction plan had his full imprimatur.

He seemed determined to prove that spending can be brought under control his way, by cutting costs and not by raising taxes. In a meeting with ranking congressional Republicans, led by Senate Majority Leader Robert Dole and House Minority Leader Robert Michel, the President declared, "I am willing to lead the charge." Reagan was unmoved by the sight of Republicans wincing at his cut-to-the-quick economies. His pungent comment: "I've overcome my distaste for seeing grown men cry."

Reagan's goal is to reduce federal red ink from its current level of $200 billion-plus annually, or about 5% of the gross national product, to nearly $100 billion, or 2% of the G.N.P., in 1988. To accomplish this, he plans to propose cuts in the anticipated growth of federal spending that range from $42 billion in the next fiscal

After budget briefing: Dole and Senator Pete Domenici

year, beginning in October 1985, to $110 billion in 1988. The White House has dubbed the austerity measures during the first year a "freeze," since they would hold next year's total federal budget just about even with the current level of $968 billion. But a true freeze is impossible: interest costs on the national debt are rising, and during the campaign Reagan ruled out any saving in Social Security. Thus to hold the line on overall spending, the Administration was forced to make cuts in some areas, as well as freeze others. Among insiders, the buzzword for this process has become "freeze-plus."

Pressure could mount for Reagan to reconsider his blanket exclusion of Social Security. But clearly he will not take the lead in recommending slower benefit growth. "We would be out of our minds to propose that," Reagan told congressional leaders. The biggest unanswered question was how much, if any, of the "plus" would come from defense spending. With Defense Secretary Caspar Weinberger attending a NATO meeting in Brussels last week, Reagan told other Cabinet members that he was postponing any decisions on military spending. But since civilian areas yielded only $34 billion in cuts, the President has little choice but to pare Pentagon outlays if he is to reach his target of $42 billion. In any case, no program of cutbacks that excludes the military stands a chance of passage in Congress. Republican Barry Goldwater, incoming chairman of the Senate Armed Services Committee, bluntly suggested freezing the Pentagon budget, for a saving of $40 billion *(see box)*. When Weinberger returns, Reagan said, "we'll discuss his defense budget to see what he can contribute."

Following are highlights of Reagan's cost-cutting plans, in descending order of severity:

PHASE-OUTS. The most prominent target for extinction is the Small Business Administration, founded in 1953 to assist in the start-up and growth of firms with fewer than 500 employees. Last year it guaranteed 18,859 loans worth nearly $3 billion and made direct loans amounting to $182 million. The SBA and its staff of 4,400 would be axed on the ground that the Government should not prop up companies that cannot survive by normal means. Scoffs a senior budget official: "The SBA is a waste of time and money." By shutting the agency and selling its loan assets, the Administration figures a budget saving of $5.4 billion by 1988. The agency, however, enjoys considerable support in Congress.

Line by line: Budget Director David Stockman

Also marked for complete shutdown after next year was general revenue sharing, a program begun by the Nixon Administration that channels $4.6 billion a year in federal funds to 39,000 counties, cities and towns. Because recipients are free to use their shares for anything from mass transit to health care, revenue sharing has developed a loyal following in both parties.

The campaign to repopularize passenger trains would suffer a major setback under a proposal to end federal subsidies to Amtrak and other rail systems. A Congressional Budget Office study in 1982 found that the Government spent $32 for every passenger boarding an Amtrak train. Estimated saving if the subsidies were eliminated: $2 billion in three years. The Job Corps, which annually provides remedial and job training to 85,000 disadvantaged youths, would be discontinued at a saving of $1.4 billion through 1988.

CUTBACKS. The largest single reduction would come from Medicare, the 19-year-old health-insurance program serving 30 million elderly and disabled. Its fast-rising costs would be scaled back by $2.8 billion next year and by a total of nearly $19 billion by 1988, largely by trimming hospital reimbursements to 2 percentage points below the rate of health-care inflation rather than slightly in excess of it, as at present. Similar attempts aimed at forcing hospitals to control costs have proved effective in some states, notably California's huge Medi-Cal program.

Another entitlement program that would come under the knife is Government aid to college students, almost half of whom receive grants or low-interest tuition loans. Next year's budget would restrict outright stipends to students from families earning $30,000 or less. In addition, it would become more difficult for students to claim that they are "independent" of their families, as increasing numbers have done to qualify for nonrepayable grants. Total estimated saving over three years: $2.1 billion.

For farmers, the new spending proposal would scythe deeply into major price-support programs benefiting producers of grains, fibers and dairy goods. The average wheat farmer planting 1,000 acres, for example, currently collects about $30,000 a year if he is eligible for the federal subsidy of $1 per bu. The Administration would set an annual maximum of $10,000 in price-support payments to any single farmer. It would abolish the dairy price-support program, which has required the Agriculture Department to buy and store surplus cheese, butter and milk at an annual cost of more than $2 billion. Replacing it would be a system of payments restricted to small dairy farmers. Overall savings: almost $14 billion over three years. "The proposals are disastrous," claims Robert Mullins of the National Farmers Union. "All they will do is accelerate farmers' going out of business."

Reagan defended the idea of a one-year, across-the-board 5% pay cut for federal employees as an equitable parallel to the so-called givebacks that management has extracted from some labor unions in the private sector. Asked he: "Is it fair at a time when deficit spending has become such a crisis . . . that Government employees should be immune from the same thing other workers in America have done?" Declaring that the Government giveback would "start with me," the President offered to forfeit not 5% but 10% of his $200,000 annual salary. There was speculation that Reagan would not seriously push for the pay cut but would use it as a bargaining chip in seeking a salary freeze.

Spending on the manned orbiting space station, the next major NASA project, would be sliced by $1.2 billion over three years, possibly pushing back its scheduled launch date in the early 1990s. Subsidized school lunches would be restricted to children from needy families, for a saving of $2.2 billion. Similar proposals in the past have

O'Neill with House Majority Leader Jim Wright

foundered on the question of applying means tests to the 23 million students in the program. The Administration would also require that veterans seeking free medical benefits after 1987 either be disabled or have proven financial need. Projected saving: $400 million in 1988.

FREEZES. Beneficiaries of virtually all Government programs except Social Security that are indexed to the inflation rate would lose their 1986 cost of living adjustment (COLA). Those who would be affected include 2.6 million federal retirees and their dependents, who belong to the Government's military and civil service pension plans. Likewise, the 21.5 million recipients of food stamps, as well as smaller benefit programs like aid to black-lung sufferers, would lose their protection against inflation for a year. The saving generated by this one-year "pause" in COLA growth compounded through 1988 would total $13.2 billion.

Education programs that would be held to current spending levels include special aid to handicapped and impoverished students, the preschool Project Head Start, and bilingual training for students whose primary language is not English. Reagan has long believed that education should be almost completely a local responsibility, and shares the conservative view that federal efforts have been largely ineffective. National Education Association Spokesman Howard Carroll disagreed last week, calling especially "unconscionable" a freeze on programs aimed at providing poor youngsters with basic skills.

As the freeze-plus budget works its way through Washington's legislative maw, that comment will come to sound positively low key. The proposed clampdown on spending could attract an even broader coalition of lobbyists united in opposition than did the tax-reform plan. Moreover, for all the clamor in Congress to cut the deficit, many of the remedies advanced by Reagan would squeeze voter-sensitive programs like Medicare hard enough to make most elected officials wince. Admits a White House adviser: "If you pluck out the individual elements, you find some of them very difficult to sell in political terms."

Yet House Speaker Tip O'Neill, who is not given to providing soft landings in Congress for most of Reagan's legislative proposals, last week sounded uncommonly receptive to Reagan's approach—as far as it goes. "If the President is willing to reduce the growth of defense spending," said O'Neill, "then he will find that we will be helpful in nondefense areas of the budget." That was a far cry from promising to join with Reagan in a genuinely bipartisan search for spending cuts. But it was an indication that he found the President's opening bid, radical as it was in some respects, sufficiently credible to stay in the game. —*By William R. Doerner. Reported by Laurence I. Barrett and Christopher Redman/Washington*

Speaking His Mind

The potshots at the Pentagon sounded like standard Democratic liberalism. Slash the Administration's proposed defense budget. Forget about building the MX missile. Get all those bureaucratic bigwigs out from behind their desks at the Pentagon. Crack down on the piggishness of defense contractors. Broadsides they were, but not from some out-of-step lefty; they were the prescriptions of Arizona's Barry Goldwater, the prospective chairman of the Senate Armed Services Committee, *éminence grise* of old-fashioned conservative Republicanism and a major general in the Air Force Reserve.

Goldwater, 75, has always been unusually candid, often to the discomfort of conservative comrades. Now that he has announced he will not run for reelection in 1986, the curmudgeon is even freer to speak his mind. Last spring he sent a scolding letter to CIA Director William Casey for not telling the Intelligence Committee about the U.S.-directed mining of Nicaraguan harbors. "This is an act violating international law," Goldwater wrote. "I don't like it one bit from the President or from you." As Armed Services chairman, he will have power to do much more than raise a ruckus in the newspapers.

TERRY ASHE

Goldwater: curmudgeon with a conscience

"My principal effort is going to be in the area of getting costs down," he told the Washington *Post* last week. He would have the Pentagon forgo the $40 billion increase it wants next year, freezing the budget at its current level. He goes further than most Democrats have even considered suggesting. But the military, said Goldwater, "can live with it. They won't be happy. Neither will the Post Office be happy with the same money they got. Neither will my secretary be happy with the same money she got. But you can't keep pumping out money you don't have." Goldwater also wants to reduce procurement costs by getting tough with military contractors. Said he: "The so-called armaments industry has been through a long, long period of carte blanche."

The problematic MX, he figures, will be canceled when it comes up for a vote in Congress next spring. Therefore Reagan should "not push this thing . . . I don't think he can win it, so why get your ass knocked off?" Besides, Goldwater admitted, "my heart has never been in" the fight for the new missile, partly because it seems there are plenty of nuclear weapons already. "I'm not one of these freeze-the-nuke nuts, but I think we have enough. I think [the Soviets] have more than enough, and I don't see any big sense in going ahead building."

It is not just specific projects or expenditures, however, that Goldwater wants to scrutinize over the next two years. "It's the whole goddam Pentagon," he said. For instance, he thinks the bureaucratic apparatus serving the Joint Chiefs of Staff is particularly bloated. "Why it takes so goddam many men to sum up the thinking and discussion of four men who meet maybe three times a week, I don't know."

"Barry wants to go out in a blaze of glory," says former Arizona Republican Chairman Harry Rosenzweig. G.O.P. Congressman John McCain of Arizona, who may run for Goldwater's empty seat in 1986, thinks his timid colleagues are secretly pleased by the plain-spoken provocations. Says McCain: "When you hear Barry Goldwater make a statement, and God knows he's quotable, the sentiment on the Hill is, 'Thank God Barry said what I didn't dare.' "

By contrast, Texas Senator John Tower, the outgoing Armed Services chairman, tried not to make waves in public. That era is over. Said Goldwater: "I may not fill the role as diplomatically as John Tower did. I'd much rather go to a man and say, 'What in the hell is your problem?' "


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Showing Washington How to Do It

Tax hikes and spending cuts produce surpluses in the states

Only a year and a half ago, the usually brimming California treasury had sprung a leak. Reeling from the revenue losses caused by Proposition 13 and brutalized by the recession, California was facing a deficit of $500 million. The state took drastic measures. It cut or froze social programs across the board and shrank its work force by 4,000. Energy spending was cut back sharply. Tax loopholes were plugged. Today, with its revenues buoyed by the recovery, California expects a budget surplus of anywhere from $889 million to $1.26 billion for the fiscal year ending next June.

California is a prime example of an impressive upturn in state fortunes. While the national deficit, already monstrous, continues to grow at an alarming pace, the vast majority of states are enjoying budget surpluses, the reward for years of belt tightening and budget slashing. The National Conference of State Legislatures estimates that the collective budget surpluses for 1984 total $5.3 billion, more than double the $2.1 billion figure of a year before.

A report released by the U.S. Treasury Department last week is even sunnier. The working paper predicts that if current spending and tax policies remain in effect for the next five years, state surpluses will reach $86.5 billion by 1989. Since such policies will probably be altered to reflect improved balance sheets, the huge surplus "would never actually be realized." Nevertheless, the Treasury report concludes, the states would have "fiscal elbow room" to cut taxes or increase spending and could "comfortably" support current levels of services without raising taxes.

The states have always had more stringent fiscal controls than the Federal Government. By statute or constitution, 49 states require some form of balanced budget (the exception: Vermont). Even so, the surpluses have not come easily. Many states fired employees and froze salaries. Expenditures on highways and other construction were postponed. The National Governors' Association (NGA) estimates that from 1981 to 1984, while federal outlays were increasing 10%, state spending went down an impressive 2%. Says Jesse Coles, South Carolina's budget director: "If the Federal Government would cut back as we did, we could make some progress in reducing the deficit."

In 1981, when Congress passed President Reagan's three-year, 25% tax cut, some 40 states were raising taxes. Income, corporate and motor-fuel taxes in Ohio, for example, went up a staggering 40% to 50%. In 1982, 30 states again raised sales, individual or corporate income taxes. Last year 43 states imposed new tax increases. Lawmakers did so at their political peril. In Michigan, two state senators who supported Governor James Blanchard's 38% income tax increase in 1983 were recalled by irate voters. But while voters balked at the medicine, they appreciated the cure. Michigan's deficit has shrunk from $1.7 billion to $250 million in the past two years, and a proposal to roll back taxes to 1982 levels was soundly rejected at the polls last month.

Cuomo: a $207 million reserve in New York

While Michigan resisted the reduction, other states with healthy surpluses are under pressure to trim taxes and restore program cuts. In New Jersey, where the 1985 surplus may wind up as high as $800 million, politicians from both parties have put toxic-waste cleanup at the top of a long list of demands. New York Governor Mario Cuomo, who reports a surplus of $207 million, is designing a broad tax-reform plan that will include income tax reductions. In California, Governor George Deukmejian plans to pump money into education, highway construction and environmental projects. Says William Hamm, an analyst for California's legislature: "It's difficult to build reserves when times are bad, but it's hard to justify them to the public when they get too large."

Deukmejian: a nest egg as big as $1.26 billion

The payoff for drastic measures.

State leaders are more concerned about the Administration's proposed budget cuts, which they feel could wipe out state reserves in one swoop. Reductions in the federal contribution to state and local governments would force states to scale back many popular programs. In New York, officials say the Reagan budget proposal could cost the state $170 million in Medicaid funds, $458 million in revenue sharing, $271 million in sewage-system construction grants and $67 million for child-nutrition programs. That would turn a modest surplus into a deficit of about three-quarters of a billion dollars. The shortfalls would also be severe in California, where federal dollars amount to 31% of the $43.5 billion budget.

At a conference of Republican Governors in Des Moines last week, there were frequent complaints that Washington was not dealing fairly with the states. Said David Runkel, a spokesman for Pennsylvania Governor Richard Thornburgh: "We had to take certain steps since 1980 to reduce our own budgetary imbalances. Should our success now be used by the Federal Government to say they can take advantage of it?" Agreed Raymond Scheppach, executive director of the NGA: "The Governors want to be helpful in trying to get the deficit down. But states have already made a major contribution to that end in the last three years."

The states argue that their fiscal well-being is fragile. Their aggregate surplus is less than half the prerecession total of $11.2 billion in 1979. Some 40% of the current black ink is concentrated in just five states: California, New Jersey, Minnesota, Texas and Wisconsin. Moreover, financial experts consider a healthy surplus to be 5% of total state spending; this year's surpluses average between 3% and 4%. The reserves are highly sensitive to economic fluctuations. Explains James Burton, executive secretary of California's commission on state finances: "A small dip in the national economy can wipe us out fast."

Since Reagan's cuts are bound to affect the coffers of every state, officials are trying to use their ingenuity to soften the blow. Says California Analyst Hamm: "It's not realistic for us to say [to Washington], 'Don't touch us, but get rid of the deficits.' We should be asking ourselves, 'What can we give up that will hurt us the least?' " —*By Jacob V. Lamar Jr. Reported by Patricia Delaney/Washington and Richard Woodbury/Los Angeles, with other bureaus*

The President and the Peace prizewinner: sharp differences on South Africa

Fresh Anger over Apartheid

Bishop Tutu and conservative Congressmen join the protest

His voice was resonant, his accent lilting, his demeanor disarmingly gentle. But his words carried a sting. "We do not want our chains comfortable," South Africa's Anglican Bishop Desmond Tutu told the House Foreign Affairs Subcommittee on Africa. "We want them removed." The black clergyman, who will travel to Oslo this week to accept the 1984 Nobel Peace Prize, assailed the U.S. policy of "constructive engagement" with South Africa as "immoral, evil and totally un-Christian." "We shall be free," he declared. "And we shall remember who helped us become free." Breaking their own rules, the subcommittee members gave Tutu a standing ovation.

The bishop, 53, was at the center of a sudden escalation of protests in the U.S. last week directed at South Africa's government and Washington's relations with it. Tutu's tour culminated Friday morning in the Oval Office, where President Reagan defended his policy of using "quiet diplomacy" to prompt reforms of South Africa's repressive policies. At a press conference afterward, Reagan said South Africa's policies were "repugnant" and insisted that "we have made sizable progress in persuading the South African government to make changes." Tutu was not convinced. "There may have been some effects," the bishop said dryly about U.S. policy, "but none that the victims of apartheid can see." Reagan's approach, he insisted, had "worsened the situation of South African blacks."

The main impact of Tutu's tour was the note of moral dignity it gave to the rising protests in the U.S. "When the missionaries first came to Africa," he told a celebrity-studded audience at New York's Waldorf-Astoria, "they had the Bible and we had the land. They said, 'Let us pray.' We closed our eyes. When we opened them, we had the Bible and they had the land." After the laughter, Tutu switched moods. "Where is the anger?" he asked, referring to the U.S. Government. "Constructive engagement is an abomination, an unmitigated disaster."

The current surge of protest activity began Thanksgiving week with the arrest of four prominent black leaders at the South African embassy in Washington. Since then the demonstrations have spread to eight cities and are expected to attract larger rallies at planned events this week. They have had a revivalist, 1960s civil rights tone, as black activists joined white liberal politicians, labor leaders and clergymen in crossing police lines to be arrested. By week's end 31 demonstrators, selected for their symbolic value, had been arrested in the daily rallies outside the embassy.

Pickets in ever mounting numbers also appeared in front of South African consulates in New York, Chicago, Seattle and Houston. In Boston, some 80 members of TransAfrica, the umbrella organization directing the national movement, picketed the offices of Attorney Richard Blankstein, the honorary consul for South Africa. After a brief shoving match with police, three protesters gained entry to Blankstein's building and met with him. They emerged 24 minutes later with his

Corporate Squeeze

More than 350 American corporations and U.S. banks hold investments and loans in South Africa. Activist stockholders and their supporters have tried, generally unsuccessfully, to persuade such firms to quit doing business there. Where that has failed, the movement has pushed a tactic termed divestment. This involves pressuring public and private institutions to sell their stock in firms that invest in South Africa.

Mobil

From South Africa's viewpoint, U.S. holdings loom large. American companies control nearly 70% of the nation's computer industry and one-half of its petroleum business. Yet from the U.S. perspective, the activity is relatively small. Although bank loans amount to $3.88 billion and stock holdings in South African companies to $7.6 billion, direct investment of U.S. corporations was only $2.3 billion at the end of last year. That is a mere 1% of all U.S. corporate investment abroad.

Between 1976 and 1982, 36 U.S. universities removed more than $143 million in investments from firms dealing with South Africa. At least 13 cities, including New York, Philadelphia, Boston and Washington, have passed ordinances restricting pension-fund investments in companies operating there. So have five states: Connecticut, Maryland, Massachusetts, Michigan and Nebraska.

CITICORP

Corporate investors in South Africa include most of the U.S. blue-chip giants. Among those singled out by protesters: Citicorp, which has in the past lent money to the Pretoria government; Mobil Oil, which has invested about $426 million and sells its products to the government's procurement office; and IBM, whose computers are used by the country's bureaucracy. Business spokesmen argue that U.S. firms provide jobs for blacks in South Africa, work quietly to break down racial barriers and would be replaced by companies with a lower social consciousness if they pulled out. Indeed, many U.S. corporations, including General Motors, IBM and Mobil, have helped foster economic equity in South Africa by adopting a set of guidelines that include maintaining an integrated workplace, adhering to nondiscriminatory pay scales and increasing the number of nonwhites in management positions.

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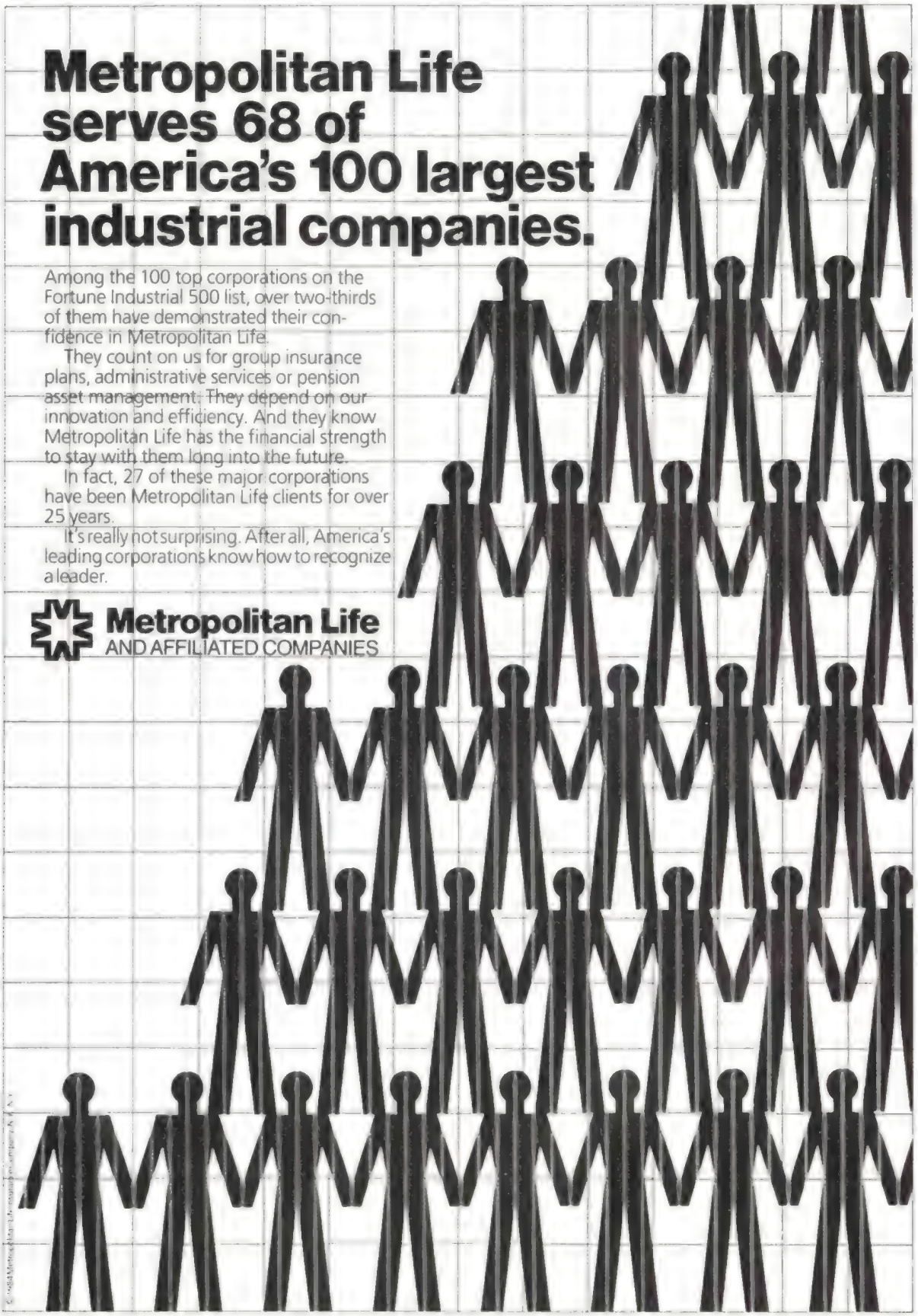


signed resignation. In San Francisco, members of a longshoremen's union refused to handle cargo from South Africa carried by a Dutch ship until shipowners got a federal judge to order them to do so.

A significant addition to the ranks of traditional liberal protesters came last week. Indiana's Republican Senator Richard Lugar, incoming chairman of the Senate Foreign Relations Committee, and Republican Senator Nancy Kassebaum, head of a subcommittee on Africa, sent a letter to Reagan urging him to speak out more forcefully against apartheid. They complained that the State Department had failed to attack "the evils of apartheid and the violations of human rights in a straightforward, understandable manner." In addition, 35 conservative Congressmen, including such New Right Turks as Georgia Republican Newt Gingrich, invited South African Ambassador Bernardus Fourie to Capitol Hill and gave him a letter threatening to support economic sanctions against South Africa unless there is "a demonstrated sense of urgency about ending apartheid." South Africa, they warned, cannot count on "benign neglect" by American conservatives of its racial policies.

The Administration sought to stem the rising tide by having Chester Crocker, Assistant Secretary of State for African affairs, explain the Administration's policy of "constructive engagement." Crocker complained that the policy, largely his creation, has been misunderstood. "It is not an embracing of any status quo," he said, adding that the U.S. has supported those black union leaders, students, clergymen and businesses seeking reforms in South Africa. The Administration contends that economic sanctions have rarely proved effective and could not be expected to have a great influence on such an embedded practice as apartheid. Jimmy Carter's more confrontational approach had also made little difference, they argue, so working on a friendlier basis with the South African government is well worth a try. The Administration claims to share the protesters' moral indignation, but it faces the practical problem of deciding how best to remedy a bad situation.

The recent protests in the U.S. were provoked in part by the arrest of 16 black labor leaders by South African police. Jesse Jackson and Senator Edward Kennedy, who have been granted visas to travel to South Africa, had planned to press for the release of the unionists while in Pretoria. Ambassador Fourie announced at week's end that eleven of the prisoners had been released and five will be charged with crimes. Fourie claimed to be "perplexed about why this movement is so silent when it comes to human rights violations in the Soviet Union or those that occur in other parts of Africa." He added, "We will listen to constructive criticism, but we will not be intimidated by anyone." —*By Ed Magnuson. Reported by Johanna McGeary and Alessandra Stanley/Washington, with other bureaus*

Caught Between the Richards

Nitze's arms-control appointment is unlikely to bring harmony

An old hand at bargaining with the Soviets

The gang will all be there when Secretary of State George Shultz's jet heads for Geneva next month, but it is most unlikely to unite in a chorus of *Hail, Hail!* Instead, the flight may ring with the same discord that fills Washington whenever the subject turns to arms control, since chiefs of all the warring factions will be thrown together. One voice, however, is likely to stand out amid the babble. Paul Nitze, appointed last week by President Reagan as top negotiator and senior adviser to Shultz on arms control, will be the only U.S. official actually sitting in with the Secretary of State during talks with Soviet Foreign Minister Andrei Gromyko on Jan. 7 and 8. If those discussions eventually result in a resumption of formal U.S.-Soviet bargaining about nuclear weapons, Nitze could head the American negotiating team.

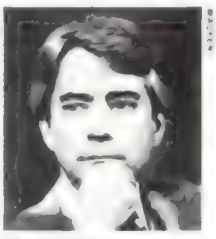
Nitze, who will celebrate his 78th birthday eight days after the talks with Gromyko conclude, adds stature to the American negotiating team. He is by far the most experienced U.S. bargainer with the Soviets, and in Washington has won the respect of both hard-liners and moderates on arms control. A longtime advocate of American military strength, he also has been, in his own eyes at least, a consistent proponent of equitable agreement with the U.S.S.R. That stand led him to play a major role both in negotiating the SALT I treaty and in organizing opposition to the unratified SALT II.

In 1982, as chief U.S. negotiator at the INF (Intermediate-range Nuclear Forces) talks in Geneva, Nitze and his Russian counterpart worked out the now famous "walk in the woods" formula for severe restrictions on the deployment of both U.S. and Soviet nuclear missiles in Europe. It was rejected by both Washington and Moscow, and since the Soviets broke off the INF talks a year ago, Nitze has occupied a fifth-floor office at the Arms Control and Disarmament Agency (ACDA), retaining the title of INF negotiator but left with nothing much to do.

Nitze's move upstairs to a seventh-floor office near Shultz's in the State Department building has caused agitated speculation in Washington. The general view is that he will strengthen Shultz's hand in dealing with Pentagon hard-liners who are suspicious of any arms-control agreement. The Pentagon, in contrast, hopes Nitze will restrain what it regards as State's excessive eagerness to strike a deal.

In any case, Nitze's appointment is hardly likely to end the squabbling over arms control. Brent Scowcroft, former National Security Adviser, was sounded out for the arms-control position; he demanded the title of special envoy and authority to resolve disputes. Reagan refused and left the authority of the special adviser vague when Nitze took the post. The President then proceeded to invite nearly every Government adviser concerned with arms control to make the trip to Geneva. They include ACDA Director Kenneth Adelman, who has several times taken disagreements with Shultz directly to Reagan, and "the two Richards": Burt of State, an advocate of greater U.S. efforts to draft negotiable positions, and Perle of Defense, the most skeptical of the Pentagon's hawks. The stated purpose of the invitations was to enable Shultz to obtain "quick interagency action" on anything Gromyko might propose. But the dissonant American delegation is more likely to give Shultz quick interagency stalemate.

Superskeptic Perle



His rival Burt

For whatever consolation it may be, Moscow also seems to be having trouble agreeing on a position to take in Geneva. Soviet Leader Constantin Chernenko has been talking of "serious negotiations" and "radical solutions," but also bringing up ideas, such as a mutual pledge not to use nuclear weapons first, that the U.S. has long resisted. The Kremlin has its own hard-liners to appease and a severe problem explaining to its people why it is thinking of resuming bargaining with the U.S. when it swore it never would. Jockeying between the two sides, and within each side, is likely to go on through the Geneva talks and probably long afterward. —*By George J. Church. Reported by Johanna McGeary/Washington*

Money Trail

Wrist slaps for running mates

A month after their crushing defeat, Walter Mondale and Geraldine Ferraro each endured another public indignity last week. The Mondale campaign was charged with violation of federal campaign spending laws and agreed to pay the U.S. Treasury $398,140 to settle the case. Meanwhile, the House Ethics Committee found that Ferraro had violated the Ethics in Government Act by failing to disclose details of her family's finances.

The Mondale controversy began during last spring's Democratic primaries. Colorado Senator Gary Hart, Mondale's closest rival for the nomination, accused his opponent of using "delegate committees" to pump money illegally into his campaign. The 130 groups, organized by local supporters seeking to become convention delegates, claimed that they were independent of the Mondale organization and thus exempt both from federal limits on national campaign contributions and from the candidate's own pledge to reject money from Political Action Committees. Hart's success in turning the tactic into a campaign issue forced Mondale to disband the committees last April.

After sitting on the case for eight months, the Federal Election Commission ruled that the Mondale campaign received $350,000 in improper contributions. Mondale's payment to the Treasury also included $29,640 in federal matching funds and $18,500 in fines. Mondale's advisers said they felt no law had been violated, but concluded that accepting the ruling would be less costly than challenging it in court.

Ferraro got off even more lightly. "I consider myself completely vindicated," she said following the announcement of the Ethics Committee's findings. The six Democrats and six Republicans ruled that Ferraro should not have claimed exemption from reporting the business dealings of her husband, Real Estate Developer John Zaccaro, in her congressional financial disclosures. Ferraro would qualify only if she had no knowledge of her husband's finances, had no role in their development and had not benefited from them. This, said the committee, was not the case. But the 47-page report concluded that she acted without "deceptive intent." Since Congress has adjourned for the year and Ferraro is leaving Congress in January, the House will not have to consider whether to take disciplinary action.

In the course of its investigation, the committee discovered that 463 checks were missing from the bank statements supplied to it by Ferraro and her husband. The report said that "a fair percentage of the missing checks are for sums in excess of $1,000 and up to a high of $22,078.35." The committee did not question Ferraro on the missing checks and the Congresswoman offered no explanation. ■

The Presidency/Hugh Sidey

A Student of Leadership

As a freshman Congressman in 1965, Republican Barber Conable of upstate New York sat in the East Room of the White House, fascinated by the scene playing out before him. Lyndon Johnson had summoned House members for a briefing on Viet Nam. L.B.J. could not contain himself. As Secretary of Defense Robert McNamara described the war, Johnson would leap up, take the pointer from McNamara and jab it at the map. "Tell 'em what's happening here, Bob," Johnson would command. "Tell 'em what's going on down there."

At the reception after the briefing, Johnson scooped up hors d'oeuvres (oar doves, he called them) in both hands and crammed his mouth full. Then he dispatched two drinks with resounding gurgles.

Conable, who had studied medieval history at Cornell and American history throughout his adult life, suddenly had live figures to fit into an intellectual framework. He recalls thinking on that day in 1965 that Johnson was "a kinetic personality" who believed he could find an answer to every problem. In Viet Nam it was "victory." Johnson would simply order a Government agency into action, get money appropriated and then wait for the war to be won. Conable's knowledge of history made him wonder. Some problems, like wars, simply had no solutions, and successful leaders understood that. Johnson did not possess such sagacity.

For two decades Conable played a role in the political drama, and always the events of history whispered to him "to avoid the pressures of the moment" and consider the broader perspectives. In the capital, he became a ray of wry wisdom amid the constant drizzle of somber buncombe. He toughed his way into power like the Marine he was in World War II and Korea. He became the ranking member on the Ways and Means Committee. More important, he gathered a grateful flock of admirers, among them scholars, journalists and politicians.

Conable: "One man can make a difference"

They were not surprised when Conable, 62, decided last February to get out of Congress. Conable, who considers himself a conservative in the tradition of Edmund Burke, had once again leaned back and looked far. "It was the right time politically, personally and philosophically," he says. "The vitality of the system depends on new people and new ideas." He will dispense his thoughts as writer, scholar, member of several corporate boards and squire of 150 acres in Alexander, N.Y. (pop. 400). His 150-year-old house there is a replica of the Semple house in Colonial Williamsburg.

Last week, as movers packed his collection of Indian tomahawks and his 1874 Wooton desk, Conable was challenging the Republican Party to be the party of Government: "The party that gets things done. Not the party of ideology, or the party of opposition, or the party of special interests or some other lighthearted role."

Richard Nixon was such a leader, says Conable. Nixon sought real change in Government institutions, diplomacy and fiscal affairs. Conable became one of Nixon's most loyal House supporters, only to be profoundly disappointed when Nixon's personal flaws overwhelmed his Administration. He keeps his distance from Nixon to this day.

Conable listened to Jimmy Carter's entreaties. But it did not take long for the Congressman to detect the flaw in that presidency. "Carter conferred with God, Rosalynn and Amy and then made judgments about what was right and wrong, but he did not lead," says Conable. He was distressed when Jerry Ford did not get a second term because he felt Ford put results above personal glory. Nixon had to be moved off the national stage. Ford did it by pardoning him. Ford was then defeated.

From his bucolic precinct, Conable will cheer Reagan on, though he has some deep differences with the President. He believes that Reagan has the will to put ideas into action. "No longer do people say the presidency does not work," he declares. "One man can make a difference." Ditto Barber Conable for 20 years in the U.S. House of Representatives.

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The City That No Longer Works

Chicago is struck, strained and strife-ridden

Their city has always been a scrappy place, even brutish, and Chicagoans tend to take a perverse pride in its streetwise, tough-guy posture. Lately, however, even diehard Chicago chauvinists are admitting that the chronic battles—economic, racial, political—may be getting out of hand. Last week the city's school system, third largest in the U.S. with 430,000 students, was shut down by a teachers' strike, the second in two years. Black and Hispanic youth gangs have kept up their amazing homicidal pace, killing six people in the two weeks since the offhand murder of Ben Wilson, a local high school basketball superstar, shocked and disturbed the city. Groups of white thugs have been attacking the homes of black and Hispanic families who dared to live among them. At city hall, the confrontation is more formalized and less violent, but it continues to muck up the municipal machinery: Democratic Boss Edward Vrdolyak and his bloc of 29 city council members, none of whom are black, have only very occasionally suspended their full-tilt feud with Mayor Harold Washington and his bloc of 21, of whom 16 are black.

Mayor Washington

Even before the 28,000 teachers walked out, the schools had plenty of problems. Many are physically crumbling, and this year the capital-improvements budget is just 7.5% of what it was a decade ago. Former Superintendent Ruth Love, dismissed last summer, is suing the school board, claiming it ousted her unfairly. The board, for its part, is suing the Federal Government for funds to underwrite a desegregation program.

Almost as soon as the strike began on Monday, the beleaguered board agreed to one union demand, promising to restore a 25% cut in medical insurance enacted just three months ago. The remaining issue is more contentious. Chicago teachers, now the fourth best paid in the U.S., have asked for a 10% increase, which would bring the average teacher's salary to nearly $29,000. The board is contemplating a one-year, onetime 10% cash bonus instead.

But the teachers want a real pay hike, and at one negotiating session last week they outlined possible cuts in student services that would pay for the raises. "Enough! No more! That's it!" cried Board Member Betty Bonow. "I won't make any more cuts." The union negotiators were exasperated too. "God," sighed one as she left Wednesday night's session, "if only Daley were alive." During Mayor Richard Daley's highhanded 21-year reign, when Chicago was calling itself "The City That Works," teachers went out on strike several times, but he personally intervened each time and forced a settlement.

By law, Chicagoans under 17 must be indoors or accompanied by an adult by 10:30 on weeknights, 11:30 on Fridays and Saturdays. More than 1,000 kids are arrested each week for violations of the curfew. The curfew has been used mainly as a means of controlling the tightly organized gangs of black and Hispanic youths—the Disciples, the Vicelords, the Egyptian Cobras—that terrorize their neighborhoods. So far this year, 133 Chicago youths have been killed in gang-related violence.

One infamous gang zone is the huge Cabrini-Green public housing project, a cluster of decaying high-rises on the near west side. Says an elderly woman who lives at the project: "They've all got guns or knives, and they act like they own the place." Not far away, at Crane High School, a large majority of the boys are said to be gang members or affiliates. "I'm scared all the time," says one girl, a junior at Crane. "Last year a boy standing right next to me in the hall was shot by another boy. And I saw a stabbing down the hall last week."

The most celebrated murder occurred three weeks ago. Ben Wilson, 17, a senior at Simeon Vocational High School, was an extraordinarily talented forward on the state champion basketball team and ranked academically near the top of his class. As he walked near Simeon one afternoon with his girlfriend, he made the fatal mistake of brushing past a boy who is said to be hooked up with a gang. "He pushed me," the angry young man told his pal. "Pop him." The friend drew his revolver and shot the 6-ft. 8-in. star twice in the chest. That weekend in the Simeon gym, thousands of people filed past Benjy Wilson's open casket.

The city is infected by white racist violence. Last month Auto Mechanic Spencer Goffer and his family moved into the Island, a white working-class neighborhood. The first night the Goffers spent in their new home, a mob of neighbors milled out front for six hours, shouting curses, throwing rocks through the windows and waving guns. The Goffers moved out the next day. In the same neighborhood, a Hispanic family's house was fire bombed on Thanksgiving. The same week, in a white neighborhood on the southwest side, a black family's house was set afire with a Molotov cocktail.

Earlier this fall Mayor Washington proposed laying off 500 of the city's 12,000-member police force as a budget-cutting measure. With Wilson's murder and the continued gang violence, however, the mayor's opponents turned the planned cuts into a hot political issue. They called instead for 500 additional police. Last week Washington backed down on the layoffs and announced a planned crackdown on five notorious gang fiefs.

Hardly a week passes during which the Vrdolyak forces do not try to embarrass the mayor. Or vice versa. "Neither side is willing to let the other side look good," says Northwestern University Urbanologist Louis Masotti. The polarizing, paralyzing power struggle appears likely to continue at least through the next mayoral election in 1987. But as Masotti warns, "Winning in 1987 may be an empty prize if our schools are in disarray, our social services deteriorate and our crime gets out of control." —*By Kurt Andersen. Reported by Lee Griggs/Chicago*

The school buildings are in disrepair, and 28,000 teachers are striking for a pay raise

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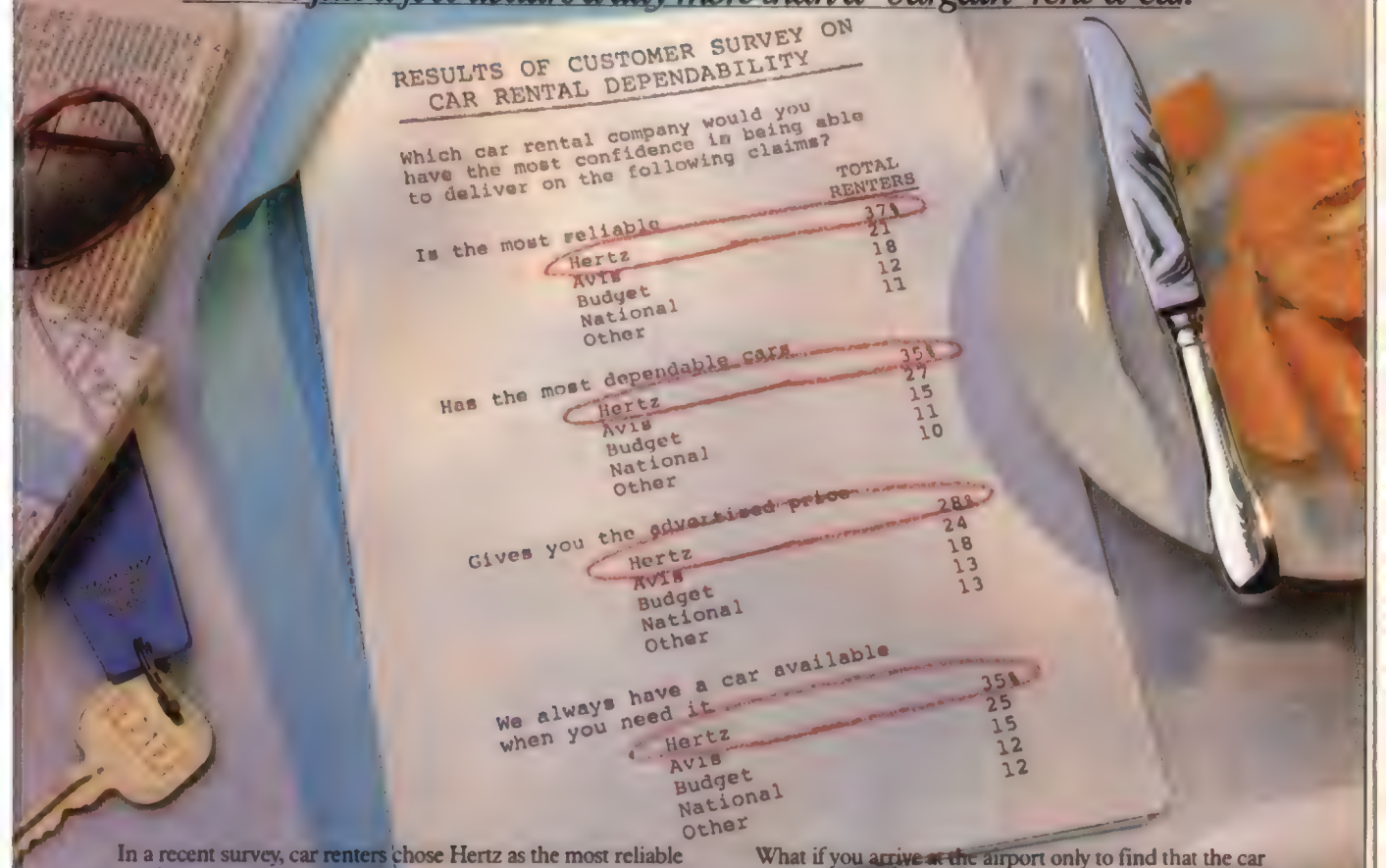

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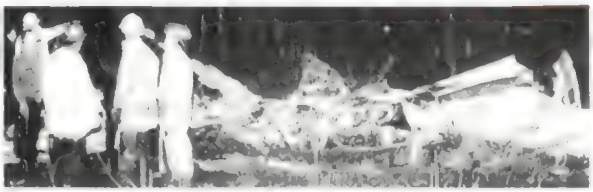
American Notes

AVIATION

Crash of a Troubled Airline



The charred wreckage of a P.B.A. plane in which 13 died

The Provincetown-Boston Airline twin-engine turboprop took off just after 6 p.m. from Jacksonville International Airport for the short flight to Tampa. Within minutes the small commuter plane, one of 113 in P.B.A.'s fleet, apparently lost its tail section, slammed into a brush-bound clearing and burst into flames. The two-man crew and all eleven passengers were killed.

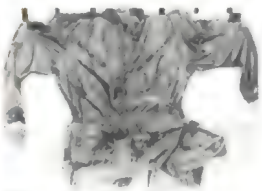
The crash was the third in six months for troubled P.B.A., which was shut down briefly last month by the Federal Aviation Administration for alleged safety violations, including poor maintenance, inadequate pilot training and falsification of inspection records. Before it was grounded, P.B.A. was the largest commuter airline in the country, carrying 4,000 passengers daily, mostly in Florida and New England. P.B.A. had resumed flying only twelve days before last week's crash. Congress plans to ask the FAA why it returned P.B.A.'s license so soon. "There was a lot of pressure to get this carrier back in the skies again," said Congressman Dan Glickman of Kansas. "We need to find out if the FAA acted properly in reopening the carrier."

MILITARY

Psst! Wanna Hot Flak Jacket?

The undercover scheme had an apt name: Operation Ripstop. Federal agents and the Naval Investigative Service last week issued 65 arrest warrants for Marines and civilians who had ripped off an estimated $500,000 worth of military supplies from Camp Pendleton, near San Diego. Authorities estimate that theft of military equipment costs the Government $200 million a year.

Posing as clerks at a bogus Oceanside, Calif., store called Golden State Surplus, authorities bought pilfered flak jackets, combat knives, .45-cal. magazines and sleeping bags from Camp Pendleton Marines for 10% to 20% of their cost. "Marines were quite literally breaking down the door trying to sell us gear," said FBI Agent John Kelso. Among the purloined goods were 9,400 blank military ID cards, which could have been used for access to military bases. Most of the gear was never reported missing. Some inventories even showed an overstock, indicating that higher-ups may at least have winked at the practice.



Stolen item from Pendleton

COVERT ACTIONS

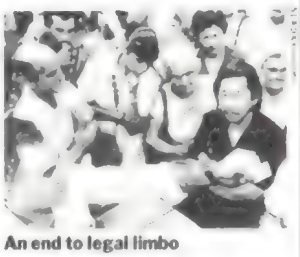
High-Altitude Handbooks

Ever since its existence became known last October, the CIA's how-to book for Nicaraguan rebels, *Psychological Operations in Guerrilla War*, has been high profile. When it was being distributed in Nicaragua, however, it seems the manual was also high-flying. Congressional investigators revealed last week that packets of the controversial booklets were attached to about 100 specially designed balloons and floated from neighboring Honduras to Nicaragua last March to scare the leftist Sandinista government by creating the impression that the Washington-backed rebel effort was more widespread than it was. The airborne handbooks, coated in plastic to make them water-resistant, were among 3,000 printed at CIA headquarters. But only a fraction were ever sent aloft, because the agency was short of money and the balloon blitz had no discernible effect on the Sandinistas.

In its final report on the entire handbook operation, the House Intelligence Committee last week concluded that the manual, which advised rebels to "neutralize" opponents, violated a 1982 law barring efforts to overthrow the Nicaraguan government. But the panel blamed the illegal action on "negligence, not intent to violate the law." That may not be the end of the matter, however. Democratic Senator Patrick Leahy, who sits on the Senate Intelligence Committee, promised that his panel will "take a much harder look at overall CIA management."

IMMIGRATION

A Step Toward Citizenship



An end to legal limbo

When Fidel Castro opened up the Cuban port of Mariel in 1980 and approximately 125,000 Cubans streamed into the U.S., President Carter urged Congress to pass legislation making the newcomers eligible for permanent resident status. But Congress never complied. Since then, the Marielitos, most of whom live in Florida, have remained in legal limbo. That began to change last week when new regulations went into effect permitting the Marielitos to register for permanent resident status. Outside Miami-area immigration offices, Marielitos crowded into lines as early as 3 a.m. At week's end over 20,000 had taken the step. By the Jan. 31, 1985 deadline, the Immigration and Naturalization Service expects at least 90% of the Marielitos to be registered.

Not eligible, however, are the 1,544 Marielitos in the federal penitentiary in Atlanta, who either had criminal records when they arrived or who committed crimes later. Frustrated by their overcrowded conditions and lack of freedom, the excluded Marielitos have staged two disturbances, including one eight-hour riot, in the past two months.

CITIES

Following the Red Brick Road

Nik Smith, a photo-supply manager, recalls how he once lived overlooking a brick alley near Chicago's downtown Loop. That was before the alley was stolen. "Every three nights or so, somebody would take about 50 bricks," says Smith. "It stopped only when the city paved it over." Each day bricks from abandoned buildings and old alleys in Midwestern cities are pilfered, sold and shipped out of town on boxcars. Ultimately they end up in Sunbelt states, where there is great demand for used brick. "They're advertising homes built with Chicago brick," says John Dean, of Chicago's department of inspectional services. "We are watching the destruction of a city."

Chicago loses 20 to 30 vacant buildings a month to brick burglars. St. Louis perhaps 50 a year. "We don't use terms like brick stealing," says Philip Mumford, owner of Chicago-based Colonial Brick Co. Inc., which pays about $80 for 1,000 used bricks. "If a rabbit dies and a buzzard eats the carcass, that's scavenging. In the city, when a building dies, there's a process of claiming that carcass."

THE GULF

Horror Aboard Flight 221

Gun-toting terrorists bring murder and mayhem to a hijacked Kuwaiti Airbus

Moment of death: a painting based on an Iranian news agency photo shows American William Stanford (in white shirt) just before his slaying

Shrouded in mist and falling snow, the blue-and-white Kuwait Airways A-310 Airbus looked as if it had been scuttled and abandoned in a remote corner of Tehran's Mehrabad Airport. Most of the shades were tightly drawn, and there were few signs of life within. But Kuwaitis monitoring air-to-ground radio broadcasts picked up blood-curdling sounds from the jet: they were the anguished shrieks and hysterical crying of a man being tortured and maimed. For those watching the tense drama developing, there were glimpses of gun-toting youths with checkered Arab headcloths drawn over their faces, and then the gruesome evidence of the hell unfolding for the 161 passengers and crew inside the grounded Airbus: the body of an American, stripped of all identifying papers, ignominiously dumped on the snow-dusted tarmac.

Once again, it seemed, the world was held hostage by a small and fanatic band of terrorists bent on wresting political concessions by menacing innocents. The four or five Arab-speaking gunmen who commandeered Kuwait Airways Flight 221 to Karachi, Pakistan, last Tuesday were believed to be linked to the Hizballah (Party of God). This is the same pro-Khomeini Shi'ite group, based in Beirut and the Bekaa Valley, that some U.S. officials think may have been responsible for killing more than 300 people in last year's bombing attacks on the U.S. embassy and Marine barracks in Beirut. Bombers also hit the U.S. embassy and other targets in Kuwait on Dec. 12, 1983, and Kuwaiti officials took a tough stand: 17 terrorists were brought to trial and sentenced to death or terms in prison. It was in the hope of forcing Kuwait to release the imprisoned terrorists that the hijackers set out on the murderous road that led to the bleak tarmac in Tehran.

Although this latest act of air piracy followed a grimly familiar pattern, it threatened to surpass other hijackings in sheer brutality. By week's end the terrorists had butchered at least four of their captives, including two Americans. They freed 146 hostages, but for the dozen or so men who remained on board, tied to their seats, conditions were said to be horrendous. There were reports that the Airbus had been disabled late Friday night by bursts of gunfire that shattered windows in the cockpit and cabin. A freed Pakistani passenger said the hostages had tried unsuccessfully to overpower their captors. The Iranian government news agency claimed that the hijackers would soon "put all the Americans aboard the plane on trial" and had beaten one of the two remaining American hostages. None of the stories could be confirmed.

There were no signs that the Iranians, who were giving the events extensive television coverage, were prepared—or able—to end the terror aboard the Airbus. Said Robert Oakley, director of the U.S. State Department Office of Counterterrorism: "We feel there is a great deal of sympathy, if not support and active collusion, on the part of the Iranian government." President Reagan declared at a press conference that the Iranians "have not been as helpful as they could be in this situation, or as I think they should have been." But he left open the possibility that Tehran might have a change of heart.

Illustration for TIME by Julian Allen

Two months ago U.S. Secretary of State George Shultz bluntly stated that the U.S. "must be willing to use military force" to combat terrorism. Said Shultz: "One of the best deterrents is the certainty that swift and sure measures will be taken against those who engage in it." But as frustrated U.S. officials tried to piece together a complete picture of what was going on at Mehrabad Airport, it seemed all too clear that a policy of retaliation had serious limitations. There was little that the U.S. could have done to prevent such a random act of terrorism. Indeed, in the absence of diplomatic relations with Iran, Washington could only depend on the help of Swiss and British intermediaries.

While anxiously waiting in Washington, U.S. officials debated whether it was feasible or even wise to plan reprisals against Shi'ite militants in Lebanon. "Whom would we hit and where?" asked a State Department official. Other groups, claiming to be associated with the Hizballah, are holding three Americans hostage in Lebanon: U.S. Diplomat William Buckley, first secretary of the embassy's political section; Cable News Network Correspondent Jeremy Levin; and Presbyterian Minister Benjamin Weir. Last week a fourth American disappeared: Peter Kilburn, a librarian at Beirut's American University. A retaliatory raid in Lebanon might seal their fate.

The journey that was unfolding so violently had an ordinary enough beginning. Flight 221 to Karachi is usually filled with expatriate Pakistani workers returning home after a year or two in Kuwait. The flight last week was no exception, and at least 120 Pakistanis patiently waited to check in at Kuwait International Airport with their newly acquired portable stereos and TV sets and with well-stuffed oversize suitcases. They were joined by at least ten Kuwaitis, including three diplomats heading for the Karachi consulate, as well as a team of three American auditors from the U.S. Agency for International Development, an American businessman and a handful of other foreigners. The takeoff proved uneventful, and the passengers settled back for the 530-mile, 1½-hour flight to Dubai.

It was during this scheduled stopover that some of the hijackers probably slipped on board. Security officials at Dubai International Airport had spent a busy night ensuring that Britain's Princess Anne departed safely after her three-day visit to the gulf. So they were not overly thorough in checking passengers hurrying through to catch the plane to Karachi, which was leaving at about the same time as the royal flight. Several youths in their 20s who had arrived on a connecting flight from Beirut evidently managed to bypass a security check in the transit lounge and went directly to the departure gate.

The plane had been airborne no more than 15 minutes when the men took control of the aircraft and ordered the pilot to turn the Airbus toward Iran. One Kuwaiti was reportedly shot and wounded in the leg during the brief scuffle. Tehran has gained a reputation as a haven for air pirates ever since three terrorists diverted an Air France 737 jet to Mehrabad Airport last July. But Iran was not so quick to put out the welcome mat early last Tuesday for the latest hijackers. The control tower in Tehran refused at first to give the Airbus permission to land and agreed only after the pilot sent a message that he was running low on fuel. The plane was immediately shunted off to a remote runway and surrounded by heavily armed soldiers, police and emergency vehicles.

The eerie morning stillness was broken by the sound of shooting in the airplane cabin. The terrorists, led by a young man identified only as Abu Saleh, pushed open the door and flung the body of their first victim onto the runway. The hijackers had ordered all Kuwaitis and Americans to move to the forward section soon after the plane landed. During the ensuing confusion they apparently selected one American and summarily executed him. Assisted by Swiss diplomats, who made visits to the Tehran morgue, U.S. officials confirmed later in the week that they were "99% certain" that the murdered man was Charles Hegna, 50, an AID officer from Sterling, Va.

As radio negotiations dragged on between the plane and control towers in Tehran and Kuwait, the hijackers pressed their demands. Finally, they agreed to let some of the 161 on board the Airbus leave. First, 46 women and children, including an American married to a Pakistani, and her daughter, made their way across the airstrip. All had been stripped of their personal papers and any identifying documents. They were followed by 23 Pakistanis and, later in the week, by a

Freedom from terror: jubilant passengers from the hijacked plane after their release on Thursday. By week's end 146 hostages had been freed

group of 30 men. The terrorists let eight more hostages go on Friday, and at week's end they released 39 men, most of them Pakistanis.

Information on the number of hostages who were murdered was hard to obtain and often contradictory. On Thursday morning the hijackers allowed an Iranian photographer to approach the door of the plane. While they held a gun to his head, he looked inside the cabin and saw two hostages lying on the floor outside the cockpit. He could not tell whether they were dead or alive.

plied. The hijackers called for the release from Kuwaiti prisons of their "innocent brothers," who they claimed had been tortured by "the joint butchering machine" of Kuwait, the U.S. and France. They admitted murdering two Americans and vowed to kill a third, whom they identified as "Charles Kipper," along with three Kuwaiti diplomats if their demands were not met. The American and Kuwaiti hostages, the hijackers declared, were "no more than a group of criminals who deserve to be killed according to the judgment of God and the Koran" and

lacked the military know-how to carry off such a risky mission without endangering the lives of all the hostages on board. And without the direct cooperation of Iranian officials, no outside power was likely to intervene to end the deadlock by military means. In an effort to pin the blame on Kuwait, Iranian radio reported last week that Iranian Foreign Minister Ali Akbar Velayati said Iran was ready to "bring about a military solution," but Kuwait refused to approve the plan.

Iran did have the power to exert religious and psychological pressure on the

Scene of carnage: the bombed-out U.S. embassy in Kuwait last December, and four of the attackers whose release is sought by the hijackers

Later the same day, Iranian television cameras recorded a macabre scene at the top of the landing ramp. Gunmen wearing hoods pushed two hostages out through the door and handed a bullhorn to one of them. The man, who was wearing a white shirt, nervously introduced himself as the U.S. consul in Karachi and pleaded with negotiators to yield to the hijackers' demands. He said that they had begun a "countdown," and warned that "they are serious about their threats." The hostages were taken back inside the plane, but five minutes later the man in the white shirt reappeared atop the ramp. He could be heard screaming as the hijackers coldly took aim and fired six shots into him. His body was also thrown onto the runway. U.S. officials denied that the American envoy to Karachi was on the plane and established later that the victim was William Stanford, 52, an AID official stationed in Pakistan.

After temporarily breaking off all radio contact on Friday, the terrorists called the control tower and demanded that Iranian officials broadcast a statement over the Arabic service of the Voice of the Islamic Revolution. Iran willingly complied. The hijackers called for the release from Kuwaiti prisons of their "innocent brothers," who they claimed had been tortured by "the joint butchering machine" of Kuwait, the U.S. and France. They admitted murdering two Americans and vowed to kill a third, whom they identified as "Charles Kipper," along with three Kuwaiti diplomats if their demands were not met. The American and Kuwaiti hostages, the hijackers declared, were "no more than a group of criminals who deserve to be killed according to the judgment of God and the Koran" and would never be let go, only "killed or buried under the aircraft wreckage."

Given the cold-blooded zealotry of the hijackers, there appeared to be no easy way out of the standoff at Mehrabad. A negotiated settlement was out of the question. Staunchly backed by Washington, Kuwaiti officials refused even to consider the terrorists' demands. Instead, they concentrated their diplomatic efforts on prodding Iran to take the necessary action. Algeria and Syria were enlisted as go-betweens, and the six states of the Gulf Cooperative Council bombarded Tehran with messages urging the Khomeini regime to make sure, as Tariq Almoayed, Bahrain's Minister of Information, put it, that "those who have committed crimes in Iran are punished in Iran."

But Iran's options also appeared to be limited. Given the Khomeini regime's past expressions of support for anti-American terrorists in the Middle East, Iran was not likely to besmirch its image by staging a daring raid to rescue American and Kuwaiti hostages. Even if Tehran had the political will to challenge the militants, it probably lacked the military know-how to carry off such a risky mission without endangering the lives of all the hostages on board. And without the direct cooperation of Iranian officials, no outside power was likely to intervene to end the deadlock by military means. In an effort to pin the blame on Kuwait, Iranian radio reported last week that Iranian Foreign Minister Ali Akbar Velayati said Iran was ready to "bring about a military solution," but Kuwait refused to approve the plan.

Iran did have the power to exert religious and psychological pressure on the Islamic militants. Not all the pro-Iranian factions of militant Lebanese Shi'ites appeared to be in agreement with the hijackers' tactics. A man claiming to represent Islamic Jihad, a shadowy group that is thought to be an umbrella organization for various terrorists in the region, called a news agency in Beirut to deny responsibility for the hijacking. He expressed support for the terrorists but urged them "not to get the Islamic Republic involved in the case." The Iranian government's best hope for ending the siege, perhaps, would have been to enlist the mullahs and other influential Shi'ite leaders to persuade the terrorists that the hijacking was not in the greater interests of the Islamic revolution.

Terrorism, in the words of Secretary of State Shultz, is "a new kind of warfare." As the tragic events at Mehrabad Airport demonstrated, the outcome of this conflict could ultimately be determined as much by strength of will as by strength of arms. At week's end there appeared to be no logical way to cope with a few angry and fanatic men who had killed—and were vowing to kill again. —*By John Kohan. Reported by Barry Hillenbrand/Bahrain and Johanna McGeary/Washington*

GRENADA

The Man in the Gray Fedora

In their first post-invasion ballot, voters pick a moderate

For Grenada, election day 1984 dawned as a tropical idyl: clear skies and sunshine, with brief spells of rain to break the sultry Caribbean heat. The splendid morning weather helped make a large turnout seem as inevitable as the arrival of the winter cruise ships in St. George's, the capital. At churches, schools and even discothèques, 85% of the island's 48,000 voters lined up for their first free elections since 1976. The balloting was described by an observer from the Organization of American States as "flawless." So, from the point of view of the Reagan Administration, was the outcome. Thirteen months after the U.S. invasion of their island, Grenadians decisively rejected the kind of political radicalism that prompted that intervention, and instead gave a resounding mandate for moderation.

The landslide winner, with 59% of the vote, was the centrist New National Party, led by Herbert Blaize, 66, a cautiously conservative former head of government whose political career on the island stretches back for decades. The N.N.P. won 14 of the 15 seats in Grenada's new House of Representatives. A day later, Blaize, who sported a new gray fedora on the way to the ceremony, was sworn in as Prime Minister at York House, Grenada's yellow brick, Georgian-style government building. He then thanked voters for "showing in such a massive way that they are willing to take command of their own affairs."

The big loser, with 36% of the ballot, was the Grenada United Labor Party, led by Sir Eric Gairy, 62, the country's first Prime Minister after independence in 1974 and an eccentric, authoritarian figure whose unsavory political history made his possible comeback a cause of much concern in Washington. G.U.L.P. won the remaining parliamentary seat, but then rejected it, alleging electoral fraud. Gairy offered a novel theory to buttress his charges of cheating. According to him, the ballots had been treated with a special chemical that was able to change votes to favor the winners. "Science and technology today is so high that I have no reason to doubt this," said Gairy, who once urged the United Nations to investigate unidentified flying objects.

Almost completely ignored by voters was the Maurice Bishop Patriotic Movement, the remnant of the revolutionary New Jewel Movement, which seized power from Gairy in 1979. The M.B.P.M., headed by former Industrial Development Minister Kendrick Radix, was named after Maurice Bishop, the charismatic New Jewel founder who was assassinated by a hard-line faction of his leftist party six days before U.S. troops arrived on Grenada. The trial of 19 former New Jewel members for the murder of Bishop, 39, and ten of his followers was stalled last week by procedural wrangling.

The Reagan Administration's satisfaction at the election outcome was undisguised. A State Department spokesman hailed the islanders for concluding "a yearlong process aimed at putting Grenada firmly back on a democratic path." Said the spokesman: "We look forward to cooperating with the new government." The Administration asserted that despite the continuing presence of 225 U.S. servicemen on Grenada, it had tried to stay out of the contest. Said a U.S. official: "We maintained a hands-off policy. But anyone who knows anything at all about Grenada knew that a moderate party was the best bet. What everybody wanted was a government that was neither leftist nor a brutal, corrupt, fruitcake regime that would pave the way for another radical takeover."

Despite the size of Blaize's triumph, he was never considered a sure winner. Indeed, only two months before the balloting, the dominant political mood in Grenada appeared to be apathy, especially among political moderates. The N.N.P. was hastily cobbled together from three rival Grenadian parties only last August. During the low-key, three-month campaign, Blaize and his supporters emphasized the themes of economic development and safeguards against the abuse of power, while Gairy's G.U.L.P. ran under the slogan "Americans must stay forever." New Jewel loyalists tried to whip up sentiment over alleged CIA interference in the elections, and staged rallies honoring their murdered leader.

Despite the official U.S. neutrality, Blaize benefited from outside help. A variety of private Caribbean, West European and U.S. organizations, including the AFL-CIO and a number of conservative public-interest lobbies, funneled money into Grenada to heighten civic awareness and get out the vote. Local taxi drivers were paid as much as $130 on election day for carrying citizens to the polls. The assistance was nonpartisan, but the enlarged turnout probably helped Blaize to defeat the remnants of Gairy's Boss Tweed–style political machine.

The winner's other great advantage was his reassuring lack of charisma. As he puts it, "I'm just an ordinary guy who believes in the Lord and trusts in him for support." The son of a laborer, Blaize was born on Grenada's sister island of Carriacou and moved to Grenada in 1930 to attend secondary school. A bicycle accident two years after graduation left him briefly paralyzed; as a result he suffers from degenerative arthritis and walks with the aid of a cane.

A onetime clerk for a U.S. oil company in Aruba, Blaize first won a seat in Grenada's colonial Parliament in 1957. In 1960 he served as the island's interim Chief Minister for 14 months before losing an election to Gairy. When his opponent was forced out of office 18 months later for "financial irregularities," Blaize won a five-year term as government leader. During that time he took a correspondence course in law, finally earning a degree after ten years. Critics claim that Blaize's first term was uninspired; supporters answer that his patience and caution now make him the perfect national healer. Says George Brizan, a victorious N.N.P. parliamentary candidate: "People are not prepared to experiment with their lives any more."

Blaize's chief priority will be revving up the stagnant Grenadian economy, which is burdened with as much as 40% unemployment. Once again his success will depend heavily on outside help: 70 or so private investment projects, most of them involving U.S. businesses, were put on hold until the election results were known. Nonetheless, the new Prime Minister's first official act was a characteristic display of caution. He asked President Reagan and five neighboring governments to extend until March the stay of their peacekeeping forces on the island, while his government carries out a review of security requirements. Said Blaize: "This is a small country. Anything that would make a ripple on a big pond would upset us a great deal." —*By George Russell. Reported by Bernard Diederich/St. George's*

MATTHEW NAYTHONS

Newly elected Prime Minister Blaize takes his oath

"I'm just an ordinary guy who believes in the Lord."

EUROPE

Greek Threat

A Community plan is blocked

The normally tranquil streets of Dublin bristled with blue-coated Irish policemen as the leaders of the ten European Community nations gathered for a two-day summit last week. Irish officials were holding their breath: less than two months after an Irish Republican Army bomb almost claimed the life of British Prime Minister Margaret Thatcher, an I.R.A. splinter group had vowed to try again. Instead, a different kind of assault came from an unexpected source. As the meeting drew to a close, Greek Prime Minister Andreas Papandreou threatened to torpedo its major goal: a painstakingly constructed agreement on the terms under which Spain and Portugal would be able to join the Community. Papandreou announced that unless the Community provided a six-year, $3.75 billion program to assist poor farmers in Mediterranean countries, he would veto any entry plan.

The Greek threat will delay final agreement on membership for Spain and Portugal at least until March. That will leave just nine months for the parliaments of all twelve nations to ratify the necessary treaties before the entry target date of January 1986. The timing is particularly important for Spanish Prime Minister Felipe González, who has promised his countrymen a referendum on Spain's continued membership in NATO by February 1986. González has hinted that without E.C. membership he may not get the popular support he needs for NATO. Says a senior Spanish diplomat: "You cannot ask us to participate in the defense of the values of the West and not grant us the benefits." In private, West German Foreign Minister Hans-Dietrich Genscher has put it more bluntly: "Why should the Spanish send their soldiers to help defend us when we won't even buy their tomatoes?"

Papandreou campaigned against Greek participation in NATO and the E.C. when he came to power in 1981, and he has been difficult ever since. Community decisions must be unanimous, and Papandreou has used the veto threat while demanding special benefits for Greece. He borrowed the tactic from Thatcher, who stalled the Community for five years while she insisted that Britain deserved a rebate on its Community budget contributions. In Dublin, Papandreou dragged the summit for five hours beyond its scheduled closing to argue that Greek, French and Italian farmers will need massive financial aid to help them adjust to the inevitable flood of Spanish and Portuguese produce.

Papandreou based his demands for $3.75 billion on a proposal made earlier this year by the European Commission, the Community's Brussels-based executive body, to set up a six-year program to subsidize poor farmers in Mediterranean countries. But with the E.C. budget already strained, the Community leaders had planned to set aside only $37 million in aid to poor farmers next year. Papandreou resisted all efforts to lower his sights, including a $60 million counteroffer from West German Chancellor Helmut Kohl.

The Greek Prime Minister agreed to go along with the Community in negotiating the agreements with Spain, but reserved his right to veto the entry of the applicants. The demands, which were labeled "utopian" by Kohl, seemed to leave most of the other leaders more annoyed than concerned. The reason: Greece already receives $750 million a year more from the E.C. than it pays in. If Spanish membership is blocked, West Germany will refuse to raise its revenue contributions to the Community, and there will be no money at all for Mediterranean support programs. Declared Kohl: "Anyone who blocks the entry of Spain and Portugal must bear a heavy responsibility." ***—By Robert T. Zintl. Reported by Bonnie Angelo and Lawrence Malkin/Dublin***

Papandreou, left, in Dublin with fellow E.C. Leaders Thatcher, Mitterrand and FitzGerald

Billions for Mediterranean farmers, or no membership for Spain and Portugal.

NATO

Paying Up

Washington gets its way

A sense of relief prevailed at the sprawling headquarters of the North Atlantic Treaty Organization in Brussels last week: the alliance had finally settled on a budget that seemed to ensure that U.S. forces in Western Europe would not be cut. At their biannual meeting, 14 of NATO's Defense Ministers* agreed to spend $7.8 billion over the six-year period beginning Jan. 1 for an assortment of improvements, ranging from bomb-proofing aircraft shelters to building better communication networks. That is roughly a 40% increase over the amount spent on infrastructure in the previous six years. The ministers also pledged to increase munition stocks. By so doing, the alliance ministers were in effect agreeing to firm U.S. requests for an increase in contributions, with the threat from Congress of possible major troop withdrawals if they did not.

NATO Secretary-General Lord Carrington hailed the budget increase as a "considerable effort." It was news that Washington badly wanted to hear. In the event of a Soviet attack on the allies, the U.S. would send six Army divisions and 1,100 tactical fighter aircraft to their aid; the question has been whether such action would do any good. U.S. military analysts fear that planes ferried to airbases in West Germany, Belgium and The Netherlands would be easily destroyed because of the lack of bombproof aircraft shelters. Western Europe's munition dumps have been inadequately stocked, and, say the analysts, the NATO forces would quickly run out of ammunition.

Fearing the worst, the Senate began to apply pressure to U.S. allies. In June, Democratic Senator Sam Nunn of Georgia introduced an amendment to a defense authorization bill, calling for the withdrawal of as many as 90,000 U.S. troops between 1987 and 1990 unless NATO members increased their defense spending and improved military facilities. The amendment was defeated, 55 to 41, but Nunn may resubmit it if necessary.

Carrington

In Brussels, spokesmen for the Administration and the alliance downplayed the significance of Nunn's pressure. Said West German Defense Minister Manfred Wörner: "We don't need any American Senator to tell us where deficiencies in our conventional forces may be." But the deficiencies seem to have been recognized. ■

*NATO has 16 members, but France does not belong to the organization's military wing. Iceland, which has no armed forces, has no Defense Minister. As usual, however, it was represented at the ministerial meeting by an ambassador.

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CZECHOSLOVAKIA

A Poet Speaks of Art and Liberty

For a Nobel laureate, words are a form of "patient resistance"

Before he was named this year's Nobel laureate in literature, Czech Poet Jaroslav Seifert, 83, was little known outside his homeland. For Czechs, it was a recognition that was overdue: he has long been revered for his insistence on artistic freedom. Even during the bleak days after the 1968 invasion of Czechoslovakia by Warsaw Pact forces, Seifert spoke out forcefully against the policies of the new Soviet-installed regime. For the next decade his writings were repressed, although his poetry is essentially unpolitical. Communist authorities finally relented when they realized that Seifert's poems were circulating widely in underground journals.

When the Swedish Academy announced the literature prize in October, Seifert was in the hospital suffering from diabetes and a heart ailment. He has now returned home, but can move about only with the aid of a metal crutch. Too frail to travel, he will be represented at this week's Nobel ceremonies by Son Jaroslav and Daughter Jana. Although he is usually unwilling to be interviewed by Western journalists, Seifert received TIME Editor in Chief Henry Grunwald and Eastern Europe Correspondent John Moody in his comfortable, slightly threadbare second-floor apartment in Prague. The 90-min. interview took place in Seifert's book-lined living room, where the mementos of a long life include a bust of one of his few heroes, Tomás Masaryk, Czechoslovakia's first President. Seifert is a small man with questing eyes, his white hair brushed straight back from a careworn face. Speaking through an interpreter, he reflected quietly on his art and his times. Excerpts:

Q. Most Americans are not familiar with your poetry. How would you describe your work?

A. My poetry is easily understandable. It is essay poetry. In the beginning [of my career] it contained many rhymes and had a singing quality. Now it's poetry of free verse and some rhyme, but less emphasis on rhyme, and more inner rhythm.

Q. Do you think you received the Nobel Prize on behalf of the entire country?

A. It might be presumptuous to say it, but yes. At least I received it on behalf of the majority of my countrymen, who feel the same as I and love literature as I do.

Q. You have led a long life. What have you learned about politics?

A. To be honest, nothing. I was interested in poetry only. Politics was only marginally of interest. My relationship with politics has cooled, especially after the death of Masaryk. Strong views were forced on me. And having strong views of my own, I had to become involved in politics. I am a sensitive man. I was able to express the attitude of the population, and it found in me a spokesman.

Jaroslav Seifert: "I was able to express the attitude of the population"

Q. What was the happiest period in your life?

A. The happiest time for my generation was between the First and Second World Wars. Do you know why? Because we were young. But also because everything seemed possible. And it seemed like we had finally achieved our freedom.

Q. Do you believe great art requires freedom?

A. Yes, an atmosphere of freedom is needed, but crises and bad times can also contribute.

Q. What about demonstrations of political activity?

A. In Czechoslovakia, we consider it an act of culture *not* to take part in some forms of activity. Maybe this is one of them.

Q. Are you concerned about the world situation and about peace?

A. We all think about peace. We are afraid as far as the possibility of war is concerned. You know, some poets write about peace, but I'm not one of those. Peace does not need poetry. Poetry is the result, the fruit of peace, and of the peace within the artist.

Q. How do you see the future of Czechoslovakia?

A. That is for you and the Russians to decide.

Q. Do you mean if we and the Russians keep the peace?

A. The very least you should do is sit down at the table and have talks and keep the status quo. But that is not enough to change anything.

Q. How should the U.S. view Eastern Europe?

A. For us, there is no Eastern Europe. It is a collection of countries. It is Czechoslovakia, Poland, Hungary, Yugoslavia. You should not see us as one.

Q. Do you have any message for the American people?

A. Read our poetry. If it is possible. It is a bit touchy to speak about these things. Your people should appreciate their liberty.

Q. When we think of New York City, we think of strength, of Paris, elegance, of London, aristocracy and money. How do you characterize Prague?

A. We are a small nation. But for our entire history Prague has been the shield and symbol of Czechoslovakia. Outsiders have always tried to bring Prague down with military force. We have always resisted. That is why we love Prague, in addition to its beauty. Besides, it is prettier than New York.

Q. Is it a symbol of resistance?

A. Yes. But it takes the form of patient resistance. The history of our people, even as far back as the Thirty Years' War in the 17th century, is that we have to deal with greater powers on our borders, for instance, Germany and Russia. But we also live in the center of Europe. The concept of politicians like Masaryk was to use Czechoslovakia to build a bridge between East and West, across the heart of Europe.

Q. And how is that bridge today?

A. There is no bridge. It has fallen down. ■


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World Notes

FRANCE

Cheysson's Final Faux Pas


GOTHENEK—SIPA SPECIAL FEATURES

Roland Dumas

For months after a series of blunders by French Foreign Minister Claude Cheysson, rumors of his departure had been gaining momentum. He committed his most serious faux pas last month when he stated flatly that Libyan forces had withdrawn from northern Chad, only to have an embarrassed President François Mitterrand admit several days later that the troops were still there. The rumors were finally borne out last week when Mitterrand tersely announced Cheysson's appointment to the European Commission, the executive body of the European Community.

Cheysson is succeeded as Foreign Minister by the government spokesman and European Affairs Minister, Roland Dumas, 62, Mitterrand's longtime personal friend and confidant. Although Dumas is said to be less hard-line toward the Soviet Union, less committed to the Third World and more pro-Israel than his predecessor, his appointment will probably have little overall effect on French diplomacy, which is traditionally the President's domain. Said Dumas in Paris last week: "I think French foreign policy has been masterfully conducted by Mr. Mitterrand, and I don't see any reason why it should change."

MIDDLE EAST

A King Talks of Peace


DAVID RUBINGER

Hussein and Mubarak

For Egyptian President Hosni Mubarak, last week's visit by King Hussein of Jordan was another step toward ending Egypt's isolation within the Arab world, which began when President Anwar Sadat accepted the Camp David accords and subsequently signed a peace treaty with Israel in 1979. For the Jordanian monarch, the three-day visit was aimed at forging a moderate Arab consensus in the Middle East. His plan: to convene a peace conference of all those with a stake in the region, including the Palestine Liberation Organization and the Soviet Union.

Although the two leaders agreed on the need for peace talks, they seemed to be at odds over the subject of the Camp David accords, which Hussein continues to oppose, even to the extent of declining to lay a wreath at Sadat's grave. Complained the King: "It eliminated the P.L.O. from the peace process."

Hussein's current plan would seem to have no chance of success. Both the U.S. and Israel have opposed a conference that would include Moscow, and Israel has refused to negotiate with the P.L.O. In Israel, Prime Minister Shimon Peres urged Hussein to drop the proposal and instead to meet directly with him.

NICARAGUA

Contra Aid Gets a Champion

As the most prominent member of Nicaragua's democratic opposition, Arturo Cruz Porras, 60, has long criticized both the Marxist-led Sandinista government and the Reagan Administration for their part in polarizing his country. Last week, however, Cruz gave surprising support to the White House in one of its most controversial aims: persuading Congress to reinstate funds to the anti-Sandinista rebels known as the *contras*.

Writing in the New York *Times*, Cruz argued that the *contra* insurgency is "the revolt of Nicaraguans against oppression by other Nicaraguans." Cruz then warned congressional opponents of aid that they "have a moral obligation to insist that the Sandinistas restore Nicaragua's liberties and that the Communist world take its hands off our country." Cruz later said that it was "irrational" to believe that a cutoff of aid to the *contras* will lead to increased political freedoms in Nicaragua "unless you have made sure the Soviets and the Cubans are going to do the same vis-à-vis the Sandinistas." Summed up Cruz: "I disagree completely with the apologists who want to give the Sandinistas only the carrot and not the stick. It won't work."

NEW CALEDONIA

Death in the Tropics


MOYEN—AFP

Kanak Leader Tjibaou

The new special envoy to New Caledonia arrived in the French Pacific territory last week to be welcomed by an honor guard of French soldiers. But the ceremonial greeting was deceptive. Heavily armed French troops stood guard and were positioned in the nearby bush. Commissioner Edgard Pisani, 66, had been sent from Paris to try to quell the violence that by week's end had left twelve people dead and about a dozen others injured in the island territory 750 miles east of Australia, which was annexed by France in 1853. Pisani's mission is also to find a solution within two months that is acceptable to the factions that are warring over the issue of independence from France.

Pisani's job will not be easy. The territory's French settlers are opposed by the native Melanesians, or Kanaks, who claim sovereignty over the territory and want only Kanaks to vote in the referendum on self-determination, which France had slated for 1989. The Kanaks have already installed Jean-Marie Tjibaou, 48, a former Roman Catholic priest, as provisional President. In order to prevent further violence, Pisani is expected to seek a speedier solution. Said a French government official: "It's obvious that we must move quickly."

THE PHILIPPINES

Baring the Truth

Marcos unbuttoned

Is President Ferdinand Marcos in control of his government? That question has dominated conversation in Manila since Nov. 14, when Marcos went into virtual seclusion. Speculation had him suffering from a number of illnesses, ranging from a degenerative kidney ailment to heart disease. Rumors swept the capital that the President had undergone major surgery, that he was dying or that he was dead.

Marcos himself brought a temporary halt to the rumors late last week when he appeared at a 1¾-hour Cabinet meeting in his study at Malacañang Palace. In a variation on a theme by the late Lyndon Johnson, who once publicly showed off his abdominal-surgery scars, Marcos raised his shirt to show a stomach and chest free of any signs of recent surgery. His audience laughed at the gesture, perhaps nervously; Marcos invited any Cabinet official who did not believe in his good health—and talked about it—to resign.

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Flanked by piles of urgent shipments, a DHL Worldwide employee shuttles packages in a terminal at New York's Kennedy Airport

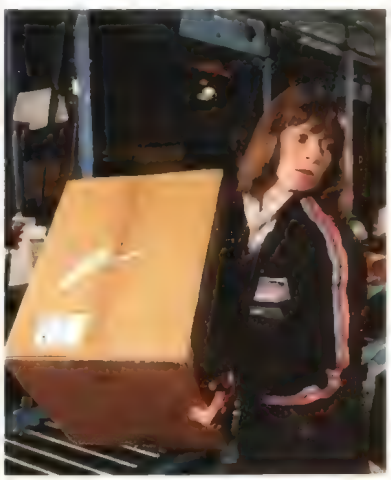
Delivering the Goodies

The air package companies have created an overnight sensation

Americans are hooked on speed. Not the drug variety, mind you, but the overnight delivery kind. Like the microwave oven and the videocassette recorder, air packages have become such a convenience that people now wonder how they ever got along without them. Overnight delivery is also an exploding, $5 billion-a-year business. One of the fly-by-night companies, Emery Air Freight, ships Cabbage Patch Kids for Coleco, couture dresses for Bloomingdale's and personal computers for IBM. During the Christmas season, the boom time for shippers, Federal Express will carry almost 500,000 parcels daily. Last week the company said it shipped some 7.9 million items during November, up more than 50% from a year ago.

The new supermail is shattering old ways. In the past, far-flung customers of the L.L. Bean mail-order company waited as long as nine days for their merchandise to arrive. This Christmas season, though, Bean will guarantee shipment of its maple syrup, Chamois Cloth shirts and other items in just four days via Federal Express for an extra $7.50. Says John Findlay, Bean's senior vice president: "There's too much at stake at this time of year to make our customers wait."

California's Williams-Sonoma, the chic pot and pan company, last June moved its national distribution center to Memphis, Federal's headquarters, in part to provide faster access to the air service. Customers quickly become spoiled, notes Patrick Connolly, mail-order vice president. Says he: "Once you've gotten a package right away, you don't want to wait the next time."



SANDY FELSENTHAL

Federal Express manager at work in Memphis

Sixty jets and 20 miles of conveyor belts.

Small businesses have found that overnight mail gives them new markets. The Rendezvous, a Memphis restaurant specializing in barbecued ribs, ships its delicacy to customers in New York and California by Federal Express. "People call in their orders up until 10 p.m., and we get them there by 10:30 the next morning," says Owner Charles Vergos. "This was the answer to our prayers, because if we don't get the ribs out fast, they are not any good." Romantics in a rush to send flowers can dial Roseland Express, a California firm that for $35 will whisk a dozen fresh, long-stemmed roses to any point in the U.S. overnight on Airborne Freight.

Procrastinators and large families are great fans of the service. Traci Laffer of Los Angeles, the wife of supply-side Economist Arthur Laffer, figures that she has used Federal Express 20 times in the past year. Shipments to her traveling husband or the Laffer children away at school have included cufflinks, homework, a party dress and a computer part. Says she: "My husband thinks I'm crazy, but when you need something quickly it's the only way to get it there."

Emery's two largest customers, General Motors and IBM, rack up huge air courier bills. The service pays its way,

however, by allowing them to keep on hand smaller stockpiles of spare parts. Says John C. Emery Jr., chairman of the firm founded by his father: "Companies are controlling their inventory by relying on us for fast delivery of vital shipments." At its Memphis headquarters, Federal Express stockpiles supplies for 64 of its commercial customers in a giant warehouse called the parts bank. From this source, the company can dispatch items wherever they are needed.

Federal Express invented the present overnight delivery system. Both Emery and Airborne for decades had shipped freight on commercial airliners. But Frederick Smith, 40, dreamed up the idea of combining a squadron of planes with a fleet of delivery vans. As legend has it, Smith first proposed the plan in a 1965 term paper that earned him a C in an economics course at Yale. After two tours in Viet Nam, one as a Marine pilot, Smith decided to use a $10 million inheritance to try out his idea, and founded Federal in 1971.

The venture's first years were rocky ones. Employees recall a Federal pilot who had to land his jet and pawn a watch to buy fuel, and Smith claims that he once met a payroll only by winning $27,000 in Las Vegas. But Federal shot straight up after it cleared the ground. Revenue increases over the past five years averaged 41%. And in fiscal 1984 the company earned $115 million on sales of $1.4 billion. A share of Federal stock issued in 1978 at $24 is now, after several splits, worth $273.

The key to Federal's success is the hub, its system of routing packages to one city and then sorting them out and transferring them to other flights for delivery to their final destination. Smith chose Memphis International Airport as his hub because it is centrally located in the U.S. and is socked in by fog only about ten hours a year. Beginning at around 11 p.m., some 60 planes arrive with a mountain of packages to be sorted and reloaded on the jets, which take off again between 2:50 a.m. and 4 a.m. Federal's 761,000-sq.-ft. complex contains 20 miles of conveyor belts. Computers track the location of each parcel, enabling the company to meet its deadline on 99% of packages.

Federal Express has created a corporate culture as distinctive as the ones fostered by IBM or Apple Computer. Indeed, Apple Co-Founder Steven Jobs last month cited Federal's Smith as one of his business heroes. Smith runs Federal with a military zeal that rubs off on his staff. He sometimes rewards outstanding work with Bravo Zulu stickers, which refer to the Navy signal flags meaning "job well done." Says Robert Sigafoos, author of the corporate profile *Absolutely, Positively Overnight:* "They have a 'kill or be killed' mentality, which permeates the ranks from top to bottom."

Federal Express, though, now faces hungry competitors who have turned the business into a delivery-truck version of *Cannonball Run*. The battle pushed down Federal's average price for an overnight shipment from $26.29 in 1981 to $19.36 this summer. Many of the rivals have copied Federal's formula. In 1981, Emery built a $60 million hub in Dayton and assembled a fleet of 67 planes. Airborne constructed its hub at an abandoned Strategic Air Command base in Wilmington, Ohio. The U.S. Postal Service has entered the field with its special $9.35 express mail service. In fiscal 1984 the USPS shipped some 41 million pieces of express mail.

The nation's largest package shipper is still UPS (estimated 1983 sales: $6 billion), which has been dubbed the Brown Giant for its fleet of 62,000 chocolate-colored trucks. UPS, which started in Seattle in 1907 with six messengers and two bicycles, last year delivered 1.8 billion parcels, twice as many as the U.S. Postal Service. UPS got into overnight service in September 1982, promising arrival by 3 p.m. the next day at prices lower than Federal's. Now UPS delivers by noon, but Federal has moved up its arrival time by 90 minutes to 10:30 a.m.

Federal made its breakthrough partly by realizing that its customers were not professional shipping agents but secretaries and executives who knew little about air freight. With a $35 million annual ad budget, Federal paid for a series of catchy commercials featuring a cold-eyed boss who talked like a record played at triple speed. As the rivalry has heated up, so has the competitive tone of the fast-delivery advertising. Purolator calls Federal the "inflexible express" and Airborne taunts, "Federal Express does better advertising, so Airborne has to give you better service." Federal retorts, "Why fool around with anyone else?"

The overnighters do have their limitations. Most of them have trouble fulfilling next-day service to such states as Idaho and South Dakota because the population is thinly scattered and airports are few. But competition tends to breed an eagerness to please. Airborne, for example, supplies special containers to protect magnetic tape and film. Emery offers same-day delivery when requested, though it slaps on a surcharge of at least $150. Clerks at a Federal Express counter in Memphis recall painstakingly building a cardboard shipping container last year for a customer who wanted to ship a fully assembled bicycle just before Christmas.

The fierceness of the race has forced smaller companies to look for a safe niche or special identity. DHL Worldwide concentrates on international business, boasting such feats as next-day delivery from Tokyo to Zurich. The California-based company has built a network of 600 offices that serve 146 countries. Emery, which puts a special emphasis on heavyweight cargo, has carted everything from pianos to a small submarine.

Since even overnight delivery may not be fast enough for a country hooked on speed, Federal Express has now developed ZapMail. To send ZapMail, a customer summons a Federal courier to pick up documents, which are then sent by facsimile transmission to another Federal Express office. There a laser printer spews out copies that are hand delivered. Elapsed time: two hours. Under development for five years with the code name Gemini Project, the $100 million electronic-mail venture got off to a slow start in July. Federal cut the price of sending 20 pages of information in half, from $50 to $25, and revamped its advertising. The company remains convinced that once customers try ZapMail, they will wonder how they ever got along without it. —***By Stephen Koepp. Reported by David Dawson/Memphis and Thomas McCarroll/New York***

Emery Air Freight drivers pick up a fresh batch of Cabbage Patch products at a Coleco plant

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Closing Doors

Mobil snubs the Journal

Relations between business and the press are often prickly, but they are seldom worse than those between Mobil Oil and the *Wall Street Journal*. In a story about the oil business last month, the paper gave short shrift to a piece of news that the company thought was important—the closing of a Mobil refinery in West Germany—and devoted a separate story to a report that Percy Pyne, the son-in-law of Mobil Chairman Rawleigh Warner Jr., would benefit financially from the company's construction of a $300 million office tower in Chicago. As a result, Mobil announced last week that it will no longer have "anything to do with the *Wall Street Journal*." Said John Flint, a Mobil spokesman: "Specifically we will not answer their questions, on or off the record, provide them with any data or grant any interviews." Mobil, an account worth $500,000 so far this year, said it was pulling all its advertising out of the paper.

Mobil's Herbert Schmertz, left, and Managing Editor Norman Pearlstine: the worst of times

Mobil's boycott is the latest chapter in a long-running feud between the oil company and the paper. In a story published in April 1983 the *Journal* claimed that the son of William Tavoulareas, then president of Mobil, had sold ships to the company, thus raising questions about the ethics of such family deals. In strong letters to *Journal* editors, Herbert Schmertz, Mobil's vice president for public affairs, accused the paper of stealing company documents and conducting a "vendetta against Mobil."

Journal editors said last week that Mobil's move would not hinder their reporting efforts. Said Managing Editor Norman Pearlstine: "The fact that we don't always print articles the way Herb Schmertz or his staff writes press releases should come as no surprise to anybody. We'll certainly continue to ask Mobil for comment when it is appropriate. It is an important company."

While corporations sometimes withdraw advertising to protest articles they do not like, it is rare for a business to close its doors entirely to a news organization. Detroit's automakers, for example, have a selective boycott of television. Since 1980 General Motors executives have refused to grant interviews to reporters from CBS's *60 Minutes* or ABC's *20/20* because the networks will not allow the company to edit the videotapes. Ford generally limits interviews with television reporters to brief exchanges. A Ford spokesman claims that when the networks edit a longer interview, "questions and answers can be taken out of context."

While sympathetic to Mobil, other executives wonder if the company gains anything by the action. Chrysler Chairman Lee Iacocca, who has complained about the *Journal's* coverage of his company, maintains that silence is not the solution. Said he: "You can't do it in the corporate world. You have to be accessible, and you have got to tell the truth." Says Exxon Spokesman Philip Wetz: "You have to communicate to have a chance of getting your point of view across."

The press also doubted that Mobil's boycott would work. Said Sheldon Zalaznick, managing editor of *Forbes*: "This is corporate governance by tantrum. They will not get what they want, which is a better-behaved *Wall Street Journal*." Zalaznick thinks Mobil will eventually realize that and reopen the door. When it does, Schmertz will doubtless have plenty to say. —*By Janice Castro. Reported by Barry Kalb/New York*

Rolling Heads

Continental directors are fired

When Rear Admiral John Byng in 1756 failed to repel a French siege of the English naval outpost on Minorca, his superiors were at least partly to blame since they had given the officer an undersized fleet. Nonetheless, Byng was executed for neglect of duty, which prompted Voltaire to observe that among the British "it is good to kill an admiral from time to time to encourage the others."

A similar if considerably less severe strategy was used last week by U.S. banking regulators. Chicago's Continental Illinois announced that the Federal Deposit Insurance Corporation had fired nine of the bank's 16 directors. Two other directors resigned.*

The FDIC, which staged a $4.5 billion bailout of the failing institution last September, made the sweeping ouster at Continental partly to remind bank directors across the U.S. of their supervisory responsibilities. The FDIC dismissed all the directors elected to Continental's board before 1980 because it was during the late 1970s that the bank made most of the $3 billion in reckless loans that led to its near collapse. The agency contends that the directors should have monitored more carefully what was going on at Continental. Ideally, corporate directors are wise and prudent overseers of an institution's full-time staff. But many of the country's 15,000 banks get only minimal supervision from their boards. In a poll released last week by Egon Zehnder International, a consulting firm, 29% of bankers surveyed said their boards of directors fill roles that are only "passive" or "largely ceremonial."

While the FDIC thinks a fresh group of directors will be helpful to Continental, the sudden turnover could leave the bank with a leadership gap. Said ousted Director Beré: "A mass exodus of board members only complicates the problems the bank is facing." The FDIC originally wanted the directors to leave immediately, but Continental Chairman John Swearingen persuaded the agency to allow them to serve until April, when replacements can be elected at the company's annual meeting. Given Continental's troubles, the new slate of directors may have full-time jobs on their hands. ■

*The ousted directors: James Beré, chairman, Borg-Warner; the Rev. Raymond Baumhart, president, Loyola University of Chicago; William Johnson, chairman, IC Industries; Jewel Lafontant, senior partner in the law firm of Vedder, Price, Kaufman & Kammholz; Robert Malott, chairman, FMC Corp.; Marvin Mitchell, former chairman, CBI Industries; Paul Rizzo, vice chairman, IBM; Thomas Roberts Jr., chairman, DeKalb AgResearch; Blaine Yarrington, former executive vice president, Standard Oil of Indiana. The resigning directors: Weston Christopherson, former chairman, Jewel Cos.; Vernon Loucks Jr., president, Baxter Travenol Laboratories.

Pickups Make a Haul

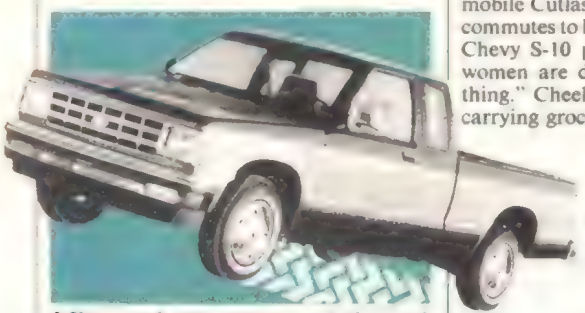
Detroit's small, sprightly trucks are the fastest-moving vehicles

Question: Which is the best-selling vehicle in the U.S.—the Chevrolet Cavalier, Ford Escort or Honda Accord? Answer: None of the above. A pair of pickup trucks, the Ford F-series and Chevrolet's C-series, outsell every passenger car on the market. Indeed, Americans are increasingly turning on to trucks. Says Chrysler President Harold Sperlich: "Car sales are good; truck sales are dynamite." U.S. automakers announced last week that some 3.8 million trucks have been sold this year, an increase of 33%, while car sales have risen 14%.

A grocery shopper in Camarillo, Calif., loads her 1984 Ford Ranger

The strongest-selling models are not 18-wheelers and big commercial carriers, but small trucks, vans and other vehicles that share some features with passenger cars. Many suburban housewives have fallen in love with minivans (estimated 1984 sales: 225,000), and thousands of yuppies are hooked on such off-the-road vehicles as the Chevrolet S-10 Blazer (sales so far this year: 130,727), the American Motors Jeep (79,807) and the Ford Bronco II (91,651). The fastest-moving truck of all is the small pickup. The nine different models of the compact carrier will have combined sales of 1.1 million this year, more than twice as many as in the record year 1978.

The new trucks are a breed apart from their clunky forerunners. They are easier to drive and more comfortable to ride in. Says Lynette Maker, a nurse in Burlington, Wis., of her new Cherokee Chief Jeep: "It has enough room for hauling and doesn't drive like a truck." The vehicles can also be purchased with air conditioning, power seats and expensive stereo equipment. Says Ed Rikess, owner of Southview Chevrolet in St. Paul: "The biggest option is the fanciest music system we can get." One out of four small pickups is sold with four-wheel drive, which provides greater traction on slippery roads and the freedom to gambol across beaches and hills.



A Chevrolet S-10 featuring an extra-large cab

Pickups have also developed a sporty, no-nonsense image. Larry Burrough, a Los Angeles newspaper editor who owns a four-wheel-drive Toyota, admits he sometimes feels "kind of strange pulling up to a nice restaurant with Rolls-Royces and Mercedes in the parking lot, and me in the pickup." But, he quickly adds, "nobody seems to mind." Says AMC Chairman Paul Tippett: "People are finding trucks a reasonable and sophisticated alternative to cars." The vehicles are particularly popular in Western states, where they are viewed as a fuel-efficient, inexpensive way to carry skis and surfboards. One out of every five compact pickups is sold in California.

Truck buyers are young—the median age is around 33—and about one-third of new owners between the ages of 20 and 30 are women. Joan Cheek, of Simi Valley, Calif., passed along her 1972 Oldsmobile Cutlass to her son, and now commutes to her job at a hospital in a 1984 Chevy S-10 pickup. Says she: "A lot of women are driving trucks now. It's the thing." Cheek finds her truck handy for carrying groceries and hauling tree trimmings to the dump. She plans to add a metal cap (average price: $270) to cover the open back of the truck so that she can shelter her belongings and use the vehicle to sleep in on camping trips.

As with passenger cars, U.S. manufacturers are fighting strong competition from the Japanese. The first of their compact pickups landed on the docks at Long Beach, Calif., some 35 years ago, but the Datsun never made it to the showroom floor. As legend has it, a driver noticed it on the carrier truck, followed it to the dealer and bought the pickup on the spot. By 1978, every one of the 489,508 compact pickups sold in the U.S. was made in Japan. But Detroit has roared back. General Motors and Ford, which had been importing Japanese vehicles to sell under their nameplates, decided to enter the market on their own. Today GM, which has nearly half of the U.S. car market, also controls 20.6% of the compact-truck business. Ford is a close second, with 19.5% of truck sales.

The Japanese share of the compact-truck market slipped to 41.7% a year ago. Toyota and Nissan, two of the leading Japanese vehicle manufacturers, are third and fourth in the market. While Toyota exports all of its trucks from Japan, Nissan builds 8,000 a month at its new plant in Smyrna, Tenn. The two companies have only 9.5% of the American car business, but they control 38.7% of the light-truck market.

Japanese auto executives are angry at themselves for letting sales ebb away. Recalls one: "We were so cocky that we just went ahead and let all these American engineers take a look at nearly whatever they wanted to in our light-truck plants." Now the Japanese are pushing to improve sales through low prices. Though they face a 25% import duty imposed in 1980, they are unfettered by the quotas that restrict the number of cars they can export to the U.S. A Mazda Sundowner B-2000 can be bought for $5,795. The lowest-cost American-made pickup is the Chevrolet S-10 at $5,900.

Healthy truck sales are a boon to automakers. Trucks are cheaper to build than cars, and hence more profitable, because they contain fewer parts and are restyled less frequently. Detroit's rule of thumb is that trucks provide one-quarter of the industry's total volume but one-third of its profits. At AMC, sales of the Jeep Cherokee and Wagoneer models are the principal reason that the company is expected to report a profit this year for the first time since 1979.

One of AMC's Jeeps, the Cherokee Chief

Automakers are confident they can keep on truckin' profitably. Chris Cedergren, the automotive-industry analyst for J.D. Power & Associates, a West Coast marketing and consulting firm, expects truck sales in 1985 to increase 4.7% more. Buyers will have an even greater assortment of models to choose from in coming years. Both GM and Ford will introduce minivans next year, while AMC and Chrysler are preparing pickups for the 1986 and 1987 model years. —***By Alexander L. Taylor III. Reported by Meg Grant/Los Angeles and Paul A. Witteman/Detroit***

Business Notes

TAKEOVERS

Pickens on the Prowl

What's he really up to?

Once again it is time to play a favorite guessing game of corporate America: What is T. Boone Pickens Jr. really up to? In the latest of a series of raids on other oil companies, Pickens, chairman of Mesa Petroleum in Amarillo, Texas, and two partners last week announced an offer to buy 20.6% of Phillips Petroleum of Bartlesville, Okla., for $60 a share, or a total of $900 million. The Pickens group has already quietly bought shares amounting to 5.7% of Phillips. The group said the move was "a step in obtaining control of Phillips."

Some industry experts, however, speculated that Pickens was actually hoping Phillips would recruit a so-called white knight, perhaps Shell Oil or Atlantic Richfield, to take over the Oklahoma company. He would then sell his shares to the acquiring company at a premium. That happened last year when Chevron bought Gulf, after Pickens had made an unwelcome takeover bid. He and his partners made more than $400 million on that deal.

Phillips is expected to fight the assault with all the tricks of the takeover trade. Late in the week, both Phillips and Pickens went into court to block each other's moves. Stay tuned.

STOCKS

Blast-Off for British Telecom

The scramble at the London Stock Exchange last Monday resembled a rough-and-tumble rugby scrum. In the first day of trading in British Telecom, hundreds of brokers fought to get some of the action. The government of Prime Minister Margaret Thatcher was selling off 50.2% of the company as part of a program to return some nationalized firms to private ownership. Around trading posts adorned with yellow balloons and huge red, green and blue plastic model telephones, 800 million Telecom shares changed hands, a London record for one day's activity in a single stock.

The British government set the initial investment price at 50 pence (60¢). Investors will have to pay an additional 80 pence (96¢) in two installments over the next 16 months. On opening day, the share price surged from 50 pence to 93 pence, but then settled down to close the week at 92.5 pence. Telecom was also hot across the Atlantic. On the New York Stock Exchange, where the company's shares were traded in units equivalent to ten shares, the price jumped from $5.96 to $11 on Monday and closed at $11 on Friday. Because the government set its initial price so low, it will receive only $4.7 billion for Telecom shares that are now worth about $6.2 billion.

INVESTMENTS

Warming Trends Up North

When Tory Leader Brian Mulroney campaigned for election last summer, he promised voters that his party would curb Canada's nationalistic economic policies and open the way for more foreign investment. Now he is keeping that pledge. Last week Prime Minister Mulroney's government introduced a bill in Parliament that would reshape the Foreign Investment Review Agency set up by former Prime Minister Pierre Trudeau in 1974.

The agency was created to ensure "significant benefit to Canada" from new foreign business ventures and takeovers. The end result was that it drove away many investors. Under the new name, Investment Canada, the organization will concentrate on increasing the flow of capital into the country by eliminating Cabinet review of most new investments and speeding up approval of takeovers. Said Industry Minister Sinclair Stevens in introducing the bill: "We believe that it is time for us to build bridges, not barriers, to new opportunities." The U.S. is the most important source of those new opportunities. Mulroney travels south this week to lay out his ideas in an address before New York City's Economic Club. His theme: Come on up.

IMPORTS

A Gray Market in Luxury Cars

Ready for export in Munich

Americans used to buy expensive cars at bargain prices in Europe and then ship them back to the U.S. But that practice declined in the late 1970s, when the slumping dollar drove up the price of a Mercedes-Benz, Porsche or BMW. The dollar is back, and so are the car importers. This year as many as 50,000 automobiles will be brought into the U.S. privately, a twelvefold increase in three years. Herbert Singer, a Munich car dealer, claims that half his sales are exported to the U.S. Says he: "I could sell five cars a day to Americans if I had the right color." The savings can be big, even after the $8,000 or so is paid to ship a car from West Germany and adapt it to U.S. safety and emission standards. Example: a Mercedes 500 SEL, when bought from an authorized dealer in the U.S., is about $52,000. The same model bought in West Germany and imported by a U.S. buyer goes for some $40,000 after the extra charges. American auto dealers sometimes refuse to service a modified car or take one in trade. But as long as that huge price difference exists, the freelance importers will continue buying abroad.

PRODUCTS

A New Present from the Magi

Sayyid Sami updates a gift

Of the three precious gifts—gold, frankincense and myrrh—the Magi carried to Bethlehem, only gold has remained on elite Yuletide shopping lists. This year, however, all three are combined in a perfume for sale in such exclusive stores as Harrods in London and Asprey in New York City. Frankincense and myrrh are key ingredients of Amouage, a new fragrance created by French Perfumer Guy Robert.

At $525 for a 24-karat gold-plated flask containing one-third of an ounce, Amouage, which means "waves of emotion" in Arabic, may be the world's most expensive fragrance gift. Even so, the list of shoppers who simply must have it threatens to stretch well past Christmas. Joanne Rose of Asprey, the sole U.S. distributor, says the store has been besieged with orders from as far away as Beverly Hills.

Sayyid Sami Bin Hamad Hamood, a businessman in Oman whose family had long traded in frankincense and myrrh, asked Robert to create Amouage. The two substances are resins that slowly ooze out of several varieties of trees and shrubs growing in the deserts of Oman. By combining them, Sayyid Sami is reaping the third fabled gift: gold.

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People

It was beginning to look a lot like Christmas at the White House last week. The tree arrived, a 20-ft. blue spruce from Michigan. **Nancy** and **Ronald Reagan,** meanwhile, were sending off the official presidential Christmas card, a reproduction of a **Jamie Wyeth** painting that shows the White House's north portico under a blanket of snow marked by a winding trail of squirrel tracks. Printed and mailed at the expense of the Republican National Committee, the card will go out to 125,000 friends and supporters, about 50,000 more than last year. The Reagans apparently acquired some new friends on the road to the President's recent 49-state electoral triumph. The First Couple have even decided on a gift for each other: a new pickup truck for the ranch. It may have been the President's second choice, actually. Asked by reporters what he wanted from Santa Claus, he responded, "Minnesota would have been nice."

The Reagans' Christmas card

■

It was the night of a lifetime—five lifetimes, to be more precise. Said an awed **Danny Kaye:** "You get to the top and just before you start down you know that that is the very top of where you are going." Comic Actor Kaye, 71, shared the pinnacle moment last week in Washington with Singer **Lena Horne,** 67, Opera Composer **Gian Carlo Menotti,** 73, Playwright **Arthur Miller,** 69, and Violinist **Isaac Stern,** 64. The quintet were receiving this year's Kennedy Center Honors for lifetime achievement in the arts. They join a select company of only 30 other recipients.

Five at the top: Menotti, Miller, Kaye, standing; Stern and Horne

■

For late-night rock 'n' rollers it was an ungodly hour, but the gig was for an exceptional cause. So 37 top musicians made a point of showing up at 10:30 a.m. in a London studio to record *Do They Know It's Christmas?* The one-day superstar session—dubbed Band Aid—was organized by **Bob Geldof,** leader of the British group Boomtown Rats, to raise money for the famine victims of Ethiopia. The $2 single, which will be released in the U.S. this week, has already sold a million copies in England, where it appeared three weeks ago. The record is "enough to make a difference, but it's also a statement," says **Sting,** part of the charity jam. The money raised so far is already on its way to Ethiopia through Band Aid Trust, an organization of rockers and business executives.

Some members of Band Aid, including Sting, fifth from left, bottom, and Geldof, third from left, top

■

Actress **Sonia Braga,** 34, seems to have a penchant for multiples on the screen. In her most famous role, the Brazilian Loren played Dona Flor, she of the two husbands. And now Braga has a three-part undertaking. In *Kiss of the Spider Woman,* two prisoners, played by **Raul Julia** and **William Hurt,** pass time in jail as Hurt's character recounts the plots of early Hollywood movies he has seen, including one about a French chanteuse named Leni Lamaison and another about the title Spider Woman. Braga plays both, as well as Julia's girlfriend. Of the three, Braga found Leni the most intriguing "because she was a woman of the '40s like Joan Crawford." But with Braga around, who needs to be nostalgic?

—By Guy D. Garcia

Braga: triple treat

Bounty from the Oldest Shipwreck

The Mediterranean yields a vessel sunk perhaps 3,400 years ago

"Metal biscuits with ears." That surreal image, which might have come from a Magritte painting, was how a young Turkish sponge diver from a small Mediterranean village described some curious objects he had spotted lying near a sunken shipwreck. When George Bass, a nautical archaeologist who had been rummaging around the floors of the Mediterranean coast for 25 years, heard that description in the summer of 1982, he thought—he hoped—that he might be on to something.

That something turned out to be the earliest intact shipwreck ever recovered, a fully laden cargo vessel that had gone to its silent, watery grave perhaps 3,400 years ago, about the time King Tutankhamun was on the throne in Egypt. The discovery, announced in Washington last week by the National Geographic Society, which helped sponsor Bass's expedition, is located near the town of Kas, less than 100 yards off the jagged, arid southern Turkish coastline and more than 145 ft. below the surface. The excavation began in earnest last summer.

Two-handled cup with goblet; Bass, inset

A sampling of the well-preserved pottery

So far it has yielded a rich trove of Bronze Age artifacts, some of which are now at a museum in Bodrum, Turkey: 6,000 lbs. of copper ingots (the "biscuits"), a store of tin (which was combined with copper to make the bronze that gives the era its name), scattered pottery, gold objects, amphoras filled with glass beads, and some ivory from an elephant tusk and a hippopotamus tooth. Says Bass: "I can say without hesitation that this is the most exciting and important ancient shipwreck found in the Mediterranean."

The ship is about 65 ft. long, rigged for a single square sail. Thus far only some of the hull's planking and part of the vessel's keel, made of fir, have been unearthed from the sediment. Apparently, the ship foundered on the coast's treacherous rocks and went straight down, without splintering, thus retaining much of its cargo. Bass and his fellow archaeologists were able to date the ship from at least two clues: a delicate double-handled Greek cup, similar to those made between 1400 and 1350 B.C., and the copper ingots, with their characteristic handles, which resemble one drawn on an Egyptian tomb at Thebes dating from 1350 B.C. The nationality of the vessel is suggested by the discovery of a miniature seal, no larger than a button, with markings similar to those used by the Greek merchants who dominated the ancient Mediterranean trade routes. Bass speculates that the ill-starred voyage had picked up tin in Syria and sailed west to acquire copper in Cyprus before heading for either Greece or Turkey.

The mustachioed Bass, 52, who left the University of Pennsylvania in 1973 to found the Institute of Nautical Archaeology at Texas A & M University, is a kind of underwater Indiana Jones, a wet-suit archaeologist who searches out clues to the past on the ocean bottom. The uncovering of the wreck may prove a boon to the nascent but growing field of nautical archaeology, of which Bass is a founding father. Since 1960, Bass has not only adapted the traditional archaeological surveying techniques to the seabed but also contributed to key technological advances, like an underwater "telephone booth" to help divers communicate.

It may have been the lack of such sophisticated technology that prevented the vessel from being plundered by renegade treasure hunters. In the past, Bass has located ancient wrecks only to find that they had been plucked clean by tourists or black marketeers. Because of the great depth of the new find—145 to 170 ft.—Bass's divers could make only two brief 20- to 25-min. trips per day, one in the morning and one in the afternoon. The pressure was so disorienting, he recalls, it was like "working down there on three martinis each." Five more years will be needed to finish the job. In the meantime, a police patrol boat is maintaining tight security over the site.

The multitude of artifacts already examined are invaluable, not simply for their rarity but for what they will reveal about the seagoing life of the Mediterranean 34 centuries ago. Before the advent of marine archaeology, notes Bass, "we knew more about the safety pins and sewers of Athens than we did about the ships that made Athens great." The hull of this wreck, for example, tells much about shipbuilding techniques. Apparently the vessel was constructed by building the outer shell first, then adding ribs for reinforcement, the same method utilized 1,000 years later. Bass surmises that the wreck will disclose a great deal about the ships used in the Trojan War, though probably nothing about the face that launched them. The cache of nearly two dozen cobalt-blue glass ingots, about 7 in. in diameter, is the earliest ever found, and may prove that raw glass, later to be transformed into jewelry or goblets, was being shipped from Syria as early as the 15th century B.C. The unusual mixture of objects appears to be from three different ancient cultures, Mycenaean, Cypriot and Canaanite. "A mix of goods," says Bass, "that puzzles us no end."

But the bounty from what Dickens called the "awful, solemn, impenetrable blue" will bring light to an area of archaeology that has long been obscure. The age of the previous oldest hull was a thousand years younger than this one, and suggests that nautical technology in ancient times changed glacially. Says Bass: "These bones of the wreck push back our knowledge of Mediterranean shipbuilding by nearly a millennium." —*By Richard Stengel. Reported by Jay Branegan/Washington*

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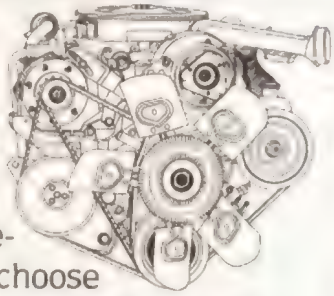

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Medicine

Just Tick, Tick, Ticking Along

Schroeder: "I feel like I've got ten years left right now"

As a federal inspector, William Schroeder evaluated the quality of Army munitions. He passed judgment on another potent but more personal invention last week: the artificial heart that doctors implanted in his chest on Nov. 25. "My heart is just tick, tick, ticking now," he told his surgeon, William DeVries, a week after the operation at Louisville's Humana Hospital Audubon. The plastic-and-metal device felt "like an oldtime threshing machine, just apumping like everything." When Schroeder, 52, entered the hospital's heart institute early last month, he recalled, he knew that he had at most 40 days to live. He had been so weak that two of his sons had carried him in, making frequent stops for their father to place his head between his legs in order to breathe. With his new heart, "I feel like I've got ten years left right now. I feel I can sit out and go fishing and watch baseball games."

That is unlikely. But his doctors agreed last week that he was "progressing beautifully." Upgrading his condition from "critical" to "serious," they noted that he has experienced none of the crises that beset Barney Clark, who received the first permanent artificial heart two years ago at the University of Utah Medical Center. (The memory of the retired dentist continues to haunt DeVries, who has occasionally caught himself calling Schroeder "Barney.") Schroeder's lungs, kidneys and liver are functioning normally, and there has been no sign of infection. To help control his diabetes, he is being put on a strict diet, which may eventually limit favorite treats like pineapple sherbet and grape Popsicles. "He doesn't like that particularly," said DeVries.

Alert and exuberant, Schroeder spent some of his time last week reading newspapers, listening to tapes of Country Singer Ricky Skaggs and joshing with family, friends and visitors he had called in from the halls of the coronary-care unit. Indeed, the festivities got so lively at one point that a patient next door complained. By week's end Schroeder had taken his first trip outside his room, riding a wheelchair to the X-ray department and using an 11-lb. portable air pump to drive his heart. The 323-lb. air system was pushed along in front. On doctors' orders, he has begun exercises to strengthen his arms and legs and is taking brief walks around his bed.

Schroeder's high spirits may dim somewhat, physicians warn, as the hospital staff begins to treat him more like a "usual patient" and less like a celebrity. He will have to come to grips psychologically with being permanently tied to an air-pump system, in much the way that paraplegics learn to accept their wheelchairs. To date, Schroeder's good humor has been strained only once, when he took part in a series of experiments last Monday. Doctors first injected him with Isuprel, Neo-Synephrine and Nitroprusside, three drugs frequently used to treat shock or high blood pressure. The chemicals are known to affect both the heart and the flow of blood through arteries, veins and capillaries, but researchers had never before been able to watch the drugs' effects on discrete parts of the circulatory system. Because the mechanical heart remains unaffected by the drugs, doctors were able to study how the chemicals constrict or relax blood vessels. Schroeder was asleep for this phase of the tests and felt nothing, but he was awake for two other experiments.

Patient and nurse with portable drive system

A heart "like a threshing machine."

In one, doctors varied the rate of the heartbeat, at one point lowering it to 30 beats per min. (75 is customary for Schroeder), leaving him weak and short of breath and looking exactly as he did before the implant. The other experiment was also uncomfortable: to measure his lungs' output, a tight-fitting mask was placed over his nose and mouth. The test was expected to last 45 min. but took 1½ hr. "He was very upset about that but still cooperated with us," said DeVries, adding, "He kind of told me off." Though Schroeder agreed to the tests before the implant, new questions have been raised about the ethics of further experimentation on a patient who has already undergone experimental surgery. Replied DeVries: "If you ask Schroeder what it means being a guinea pig, which we have, he says it's kind of a trade-off. He gets life and he's able to help people after him."

Controversy continues to swirl about the implant. Los Angeles Internist David Olch, a member of the American Medical Association's judicial council, which proposed guidelines for the replacement of failing organs, issued a scathing criticism of the Humana hospital chain in last week's *American Medical News*. Asked Olch: "Will the artificial heart benefit Schroeder as much as it benefits [Designer Robert] Jarvik, Humana and the surgical team?" Responded Dr. Allan Lansing, medical director of the Louisville hospital's heart institute: "Business in the health industry has been criticized for not supporting research. Now they're being criticized for doing it." DeVries has called for a national panel to review his research and study the attendant ethical and economic questions. The debate is sure to intensify. Last week Cardiac Surgeon Lyle Joyce, who worked with DeVries at the University of Utah and now heads a heart team at the Minneapolis Heart Institute, announced that he will apply to the Food and Drug Administration in March for approval to begin performing artificial heart implants. —***By Anastasia Toufexis. Reported by Barbara B. Dolan/Louisville***

The Pill's Eclipse

Sterilization is now No. 1

Name the most popular form of birth control in the U.S. No. not the Pill. According to a report issued last week by the National Center for Health Statistics, the Pill has been superseded by male and female sterilization. About 22% of women using contraception have had tubal ligations or hysterectomies, and 11% of men have had vasectomies. Only 29% of women using birth control rely on the Pill.

The findings are based on interviews conducted in 1982 and 1983 with 7,969 women, ages 15 to 44; the results were compared with earlier surveys. The Pill, which was the most favored contraceptive in 1966, has fallen in popularity because of fears about potential health risks, particularly among women over 35 who smoke. The Pill's decline has also been affected by the trend toward smaller families, researchers say; women who do not want to have more children are increasingly seeking surgical sterilization. Among married women using birth control, the use of the Pill dropped from 36% in 1973 to 20% in 1982; in the same period, sterilization rose from 12% to 26%. Among unmarried women and women under 30, however, the favored contraceptive is still the Pill. ■

Press

War and Remembrance

McNamara breaks 16 years of silence on Viet Nam

At a White House ceremony in February 1968 to bid him farewell as Secretary of Defense, Robert McNamara, exhausted and anguished over the Viet Nam War, became so choked up that he could not speak. For the next 16 years McNamara remained speechless about that agonizing conflict, refusing to make any public statements. Last week, summoned to testify in General William Westmoreland's $120 million libel suit against CBS, McNamara finally broke his long silence. Even then, as he began to recall the controversies of the time, his raspy voice cracked once again, his lips trembled.

The emotions of the bitter Viet Nam era lived on in Room 318 of the U.S. courthouse in lower Manhattan last week, and so did the war's ambiguities. At issue was a 1982 CBS *Reports* documentary that accused Westmoreland, commander of U.S. forces in Viet Nam from 1964 to 1968, of participating in a "conspiracy" to understate the true strength of the enemy in order to make the war appear winnable. McNamara spoke emotionally in the general's defense. He stated that Westmoreland is "a person of tremendous integrity" who could never have lied to his superiors, and he said that he had told CBS Producer George Crile as much, off the record.

CBS Lawyer David Boies promptly tried to discredit McNamara by showing that he too had deceived Congress and the public. McNamara testified that he had believed ever since early 1966 that the war was not winnable and had expressed his doubt to President Lyndon Johnson. Boies read back snippets from what McNamara had said at the time. In August 1967, for instance, he told a Senate committee that the war was "not a no-win program." When a reporter asked that same year if the U.S. was mired in a stalemate in Viet Nam, McNamara replied, "Heavens, no!" On the stand, he tried to qualify such declarations by insisting that while he had been pessimistic about winning the war militarily, he still held out hope for a political solution.

When Boies queried the witness about Westmoreland's estimates of enemy troop strength, McNamara readily acknowledged that the numbers did not "add up." He disputed, just as the CBS documentary did, Westmoreland's claim in 1967 that the U.S. had finally reached the "crossover point," at which more enemy forces were being killed than could be replaced. But he characterized his dispute with Westmoreland as an honest difference of opinion. Actually, he testified, he regarded estimates of enemy strength as inherently unreliable and unimportant. It was a remarkable aside from the precision-minded man who was often accused of being in the thrall of statistics.

McNamara was the last in a parade of 17 witnesses, most of them former high officials, produced by Westmoreland's lawyer to testify that the substance of the CBS documentary was untrue. CBS has attempted to poke holes in their testimony: last week Boies told the jury that Westmoreland had contradicted himself 20 to 25 times during his ten days on the stand.

The former Defense Secretary arrives at court

Reliving the emotions and ambiguities.

As a former public official, Westmoreland must meet a stiff legal standard to win his libel case: he must prove not only that the CBS story was false but that CBS knew it was false or recklessly disregarded whether it was. In an effort to demonstrate such "actual malice," Westmoreland's lawyer Dan Burt will play for the jury CBS's "outtakes," the unused portions of film and interviews. He will ask CBS staffers, principally Producer Crile and Correspondent Mike Wallace, why reporting that contradicted their thesis was left on the cutting-room floor.

This part of the trial promises to be a revealing seminar on how TV packages news. All reporters, print as well as broadcast, face the difficult task of choosing which facts to highlight and which ones to leave out when trying to shape coherent stories out of complex issues and conflicting accounts. But the time constraints and film-editing exigencies of TV news, and the powerful impact of televised interview clips, make the process even more difficult for broadcast journalists. —***By Evan Thomas. Reported by Marcia Gauger/New York***

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Probing a State of Mind

A TIME *correspondent testifies in the Sharon libel case*

The reporter told of hearing young Phalangists dancing in the streets and shouting "Revenge! Revenge!" the day after their leader, Lebanese President-elect Bashir Gemayel, had been assassinated. He told of a conversation with an Israeli soldier who warned him "something ugly is happening in the city" just as Phalangist militiamen were killing 700 Arabs in the Sabra and Shatila refugee camps in West Beirut. He told of an agitated Israeli general knocking on his door in Tel Aviv late one night to express his concern that Israeli officers had known of the atrocities but remained silent.

For seven days during the past two weeks, TIME Correspondent David Halevy took the stand in a federal courtroom in Manhattan to recount in vivid detail what he saw and heard—and felt and believed—while he covered the ravaged precincts of Beirut and the troubled ruling circles of Israel before and after the 1982 massacre. Halevy's highly personal account was required because his credibility and state of mind are principal issues in a $50 million libel suit brought by former Israeli Defense Minister Ariel Sharon against TIME.

Sharon sued after the magazine published a February 1983 cover story about the findings of an official Israeli commission, headed by Supreme Court President Yitzhak Kahan, which concluded that Sharon as well as other Israeli officials bore "indirect" responsibility for the massacre. Sharon subsequently stepped down as Defense Minister, though he remained in the Cabinet and is now Israel's Minister of Industry and Trade. Sharon's suit is aimed at a paragraph in the story describing a condolence call Sharon paid to the Gemayel family the day after the assassination of the Lebanese President-elect. The passage, based on Halevy's reporting, stated that Sharon "reportedly discussed with the Gemayels the need for the Phalangists to take revenge" for Bashir's assassination, adding that "the details of the conversation are not known." Calling the story a "blood libel" on Israel, Sharon claims that TIME accused him of instigating the massacre and injured his reputation.

RICHARD NOWITZ

TIME's David Halevy on the beat in Israel

According to the TIME story, a secret appendix to the Kahan report contains information about Sharon's visit with the Gemayel family. Under questioning by Judge Abraham Sofaer and Sharon's lawyer Milton Gould, Halevy conceded that he had not been told directly by a source what the appendix contained, but that he had inferred it from strong hints from Israeli officials and other circumstantial evidence.

The appendix remains shrouded in Israel's secrecy laws. Judge Sofaer, at the request of both TIME's and Sharon's lawyers, has asked the Israeli government to allow both parties in the suit to examine the appendix as well as notes taken by Israeli officials at the meetings between Sharon and the Gemayel family. The Israeli government has agreed to allow Sofaer to submit written questions about the contents of these documents, but only to Kahan. At week's end the matter remained unresolved.

Halevy recounted last week how he had learned about conversations that were held between Sharon and Phalangist leaders. He stated that he had four knowledgeable sources, including an Israeli general who had access to notes taken at one of the meetings. One source told Halevy that during a meeting attended by Sharon and Pierre Gemayel, the family patriarch, Gemayel said that the death of Bashir "should be revenged," and that Sharon made no effort to dissuade him.

To win his suit, Sharon must show not only that TIME's story was wrong but, as in the Westmoreland case, that it was published with "actual malice," which means that TIME knew that the story was false or recklessly disregarded whether it was. Sharon Lawyer Gould has tried to show that Halevy has a personal bias against the former Defense Minister. Under questioning by TIME Lawyer Thomas Barr, Halevy testified that he was not hostile to Sharon but rather a patriotic citizen of Israel anxious about his country.

With the conclusion of Halevy's testimony, the focus of the trial will now shift to TIME's editorial headquarters in New York. Gould plans to call a series of staffers and editors to the stand in an attempt to show, as he has claimed to the jury, that either "TIME's process for verification is defective" or that "the procedure was ignored." *—By Evan Thomas. Reported by Kenneth W. Banta/New York*

Milestones

EXPECTING. Susan Sarandon, 38, actress currently shooting the comedy-mystery *Compromising Positions:* her first child; next March, in New York City. Divorced from Actor Chris Sarandon since 1979, she declines to name the father.

RECONCILED. Marie Osmond, 25, wholesome pop singer; and **Stephen L. Craig,** 28, real estate salesman and her husband of 2½ years, from whom she had "temporarily separated" last month; in Provo, Utah.

SENTENCED. Stacy Keach, 43, stage and film actor who stars in TV's *Mickey Spillane's Mike Hammer* series; to nine months in prison, after pleading guilty to importing 1.3 oz. of cocaine into Britain last April from France, where he was filming the mini-series *Mistral's Daughter;* in Reading, England. Keach, who had already completed most of this season's *Hammer* episodes, began serving the sentence immediately.

DIED. Edward Crankshaw, 75, British scholar who turned out 16 graceful, lively, popular histories and biographies on such subjects as Nikita Khrushchev, Austria's Habsburgs, Germany's Bismarck and Authors Leo Tolstoy and Joseph Conrad; of cancer; in Hawkhurst, England.

DIED. John Rock, 94, flinty, pioneering obstetrician-gynecologist who played the key role in developing, testing and popularizing the birth control pill, which helped spark a revolution in sexual mores, population control and the status of women; of a heart attack; in Peterborough, N.H. A researcher in human reproduction who spent the first two-thirds of his career trying to help women overcome infertility, he became alarmed at the specter of world overpopulation and began working on a hormonal birth control method in the 1950s with Biologists Gregory Pincus and Min-chueh Chang. Because the pill they developed used two body substances, estrogen and progesterone, Rock, a daily Mass-going Roman Catholic, believed the church might accept it as a "natural" family-planning device. When Pope Paul VI banned all forms of artificial contraception in a 1968 encyclical, Rock angrily accused the Pope of abdicating "responsibility for the ultimate welfare of all."

DIED. Stephen M. Young, 95, cantankerous Ohio Democrat who served 20 years in the House and Senate before retiring at 81; of a blood disorder; in Washington, D.C. Known for his sharp tongue, he would write critics: "Dear Sir: Some crackpot has written me a letter and signed your name to it. I thought you ought to know . . ."

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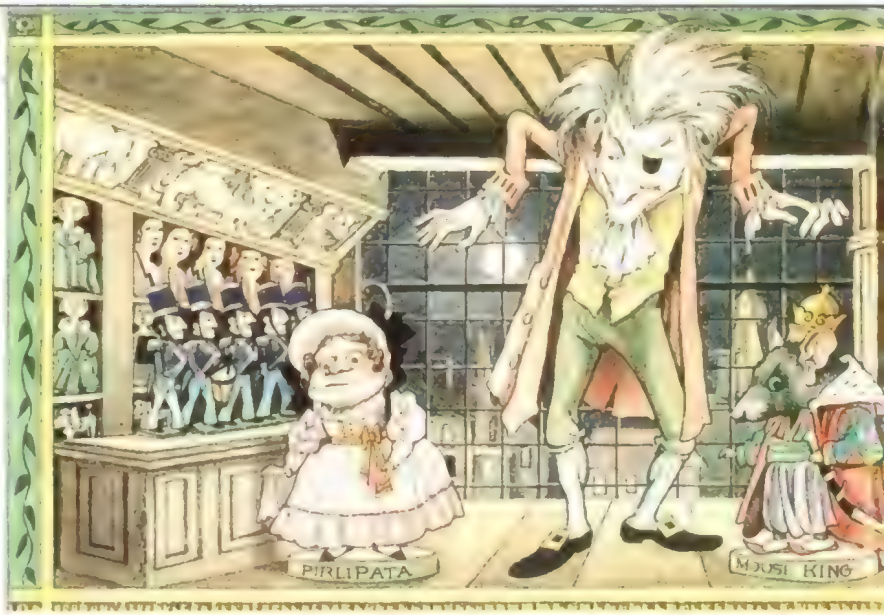
Books

Small Wonders For the Young

Lively enchantments from Leonardo to Sendak



Drosselmeier the taleteller presides over Hoffmann's *Nutcracker* creatures in Maurice Sendak's

There are illustrators and illustrators. But there is only one Maurice Sendak. His drawings for Grimm fairy tales and his million-copy bestseller, *Where the Wild Things Are* (1963), unfolded the primary metaphors of dreams; *In the Night Kitchen* (1970) fused Walt Disney, Laurel and Hardy, the comic strips of Winsor McCay and the reassuring images of bread and bed; *Outside Over There* (1981), the story of an airborne young heroine, had the enchanting quality of classical ballet. After that, Sendak's interests turned to the stage, and he designed the sets and costumes for Leoš Janáček's opera *The Cunning Little Vixen*, as well as operatic adaptations of his own works. It is the theater that informs Sendak's illustrations for E.T.A. Hoffmann's **Nutcracker** *(Crown; $19.95)*. This is not the customary sugarplum rendition. As the artist points out in his introduction, the Christmastime ballet was based on a version of the tale by Alexandre Dumas, "smoothed out, bland and utterly devoid of the weird, dark qualities that make it something of a masterpiece." With characteristic wit and technical wizardry, Sendak has restored those qualities. Marie, journeying from childhood to the altar, old Drosselmeier the taleteller and Nutcracker himself are no longer marzipan creations. In Ralph Manheim's vigorous new translation, mice and soldiers, clowns and children speak out as never before, and Sendak has found pictorial equivalents for their idiosyncrasies. The illustrations will be on deposit at the Rosenbach Museum and Library of Philadelphia, which owns Tenniel's original drawings for *Alice in Wonderland*. A fitting destination: last century's classic has been joined by a modern candidate for that status.

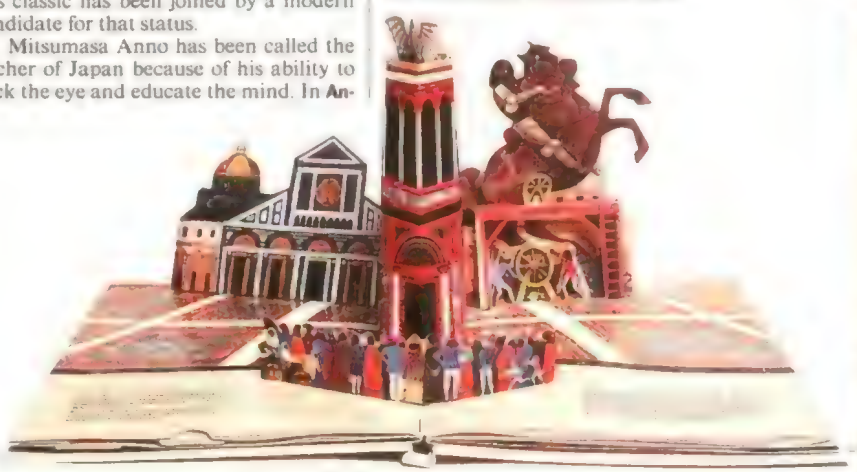
Mitsumasa Anno has been called the Escher of Japan because of his ability to trick the eye and educate the mind. In **Anno's Flea Market** *(Philomel; $11.95)*, two old peasants wheel a cart across a medieval square. Horseless carriages suddenly appear in the background. A stagecoach is on display, and African explorers have arrived with a cache of ivory tusks. In Anno's crowded canvas, allusions are everywhere: the novels of Robert Louis Stevenson, the paintings of Monet, the films of René Clair reach across the years. With his panoramic, limitless cast, this flea market constantly renews itself and seems, unlike the reader, incapable of growing up or growing old.

For several decades, *New Yorker* Cartoonist William Steig, 78, has devoted himself to diverting children as well as adults. His latest work, **CDC?** *(Farrar, Straus & Giroux; $6.95)*, tells jokes by using what seem to be isolated letters and digits. At first glance the pages hold pure nonsense: two small boys watch a television set; below them is the legend "R T-M S B-N B-10." But when the letters and number are pronounced, young readers can crack the code: "Our team is bein' beaten." A Martian has descended from a spaceship. The line explains, "N-M-E L-E-N." A doctor holds aloft a test tube and announces, "I F D Q-R!" The whimsical drawings and ingenious punch lines are M-U-S-N from the beginning to D N.

"Leonardo was the greatest artist in the world." So begins **Leonardo da Vinci,** by A. & M. Provensen *(Viking; $14.95)*. "He was also an astronomer, an architect, and an engineer who made hundreds of inventions." Granted, but how can a child be shown the breadth and scope of a genius five centuries removed? The Provensens have performed the impossible, and they

O* is for Ostrich in *Animal Alphabet

The Provensens' *Leonardo da Vinci*



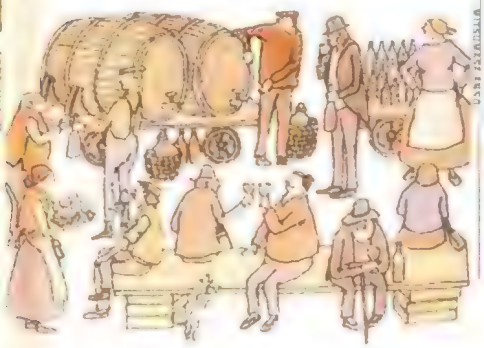
Warwick Hutton's interpretation of the Old

mordant and lyrical rendition

N.C. Wyeth's glowing oil painting for *Robin Hood*

have done it in twelve pages. Their solution is worthy of Leonardo himself: a pop-up book designed to show a movable church, a flying machine, a winged man, engineering and anatomical studies, a three-dimensional model of the heavens and a mural that actually fades before the eyes. From the base of these structures, the reader learns about the look and feel of the Renaissance and about the restless intelligence of an artist who even noted, in his famous mirror writing, the audacious discovery EVOM TON SEOD NUS EHT. A warning: pop-ups are for the very young. This year juvenile readers with a deeper interest in art should turn to a far more comprehensive volume.

In **Great Painters** *(Putnam; $15.95)*, Italian Artist Piero Ventura ranges through history from the pottery of ancient Greece to the murals of Picasso. Along the way he stops to consider almost every major artist; he shows how Dürer worked in woodcuts, the techniques of Holbein (seen painting the clothes of a straw model because the King is too busy to pose), the hidden Christian imagery of Goya, the palette of the impressionists, the contained violence of the fauves and cubists. Ventura augments photographs of the paintings with his own sketches of the artists at work, explains such terms as fresco and perspective and concludes with a series of brief biographies. There are yearlong art-appreciation classes that do not contain as much information and delight.



Anno's Flea Market

Testament: *Jonah and the Great Fish*

No Old Testament story seems retold as often as the episode of Jonah swallowed whole (there are strong suggestions of it in works as disparate as *Pinocchio* and *Jaws*). But somehow Warwick Hutton has found a way of giving the tale a fresh approach in **Jonah and the Great Fish** *(Atheneum; $12.95)*. The text is simplified but not simple-minded, and if the sins have been scaled down, the sinner has not. As Jonah and his shipmates are buffeted by the tempest, the wind seems to blow from the page, and the great fish that consumes him soon turns from a monster into a seaborne aquarium. One half expects to see a sign on its vaulted rib cage warning OCCUPANCY BY MORE THAN 1,000 FISH AND 1 PROPHET IS UNLAWFUL AND DANGEROUS. Despite his whimsy, Illustrator- Narrator Hutton violates neither religious nor literary scruples. Happy endings, after all, are not exclusive to fairy tales; even the Bible has them, now and again.

The world is hardly in need of new alphabet books. The shelves of every children's library sag with them. But Bert Kitchen's **Animal Alphabet** *(Dial; $11.95)* should displace a score of bygone manuals. Each member of his wild kingdom is involved with the letter that begins its name: the koala hugs the main stem of the *K*; two bats hang from the crossbars of the *B*; an ostrich peers out from the great hole of the *O*. This is no restatement of the obvious: an elephant may push an *E*, but what is that long-tailed bird perched atop the *Q*? What kind of fish are swimming in the water trapped by the upper part of the *X*? What is that spotted amphibian sliding down the *N*? Answers: a quetzal; an X-ray fish; a newt.

Paul Creswick's 1902 classic **Robin Hood** *(Scribners; $18.95)* is written in 19th century baroque: "You shall pay no more than ten pieces of gold for your entertainment, excellence," decreed Robin. "Speak I soothly, men of the greenwood?" But it is N.C. Wyeth's 1917 illustrations that carry the day. Each of them has the sweep and drama of unabashed romanticism; a score of movies have tumbled from these portraits of Robin, Little John and Maid Marian. And there have been even more literary spin-offs. Surely this is not the last of the retellings; it is merely the best. —*By Stefan Kanfer*

Piero Ventura's *Great Painters*

ANTONIO SUAREZ

Skin trade: smoother looks and ringing registers from a cabinetful of products

Trading Faces, the Latest Wrinkle

After the shave, men are putting on masks and moisturizers

"Are you man enough to send for a free book on a very delicate subject?" asks the ad in a men's magazine. Bad breath? Dandruff? Body odor? Not quite. The latest wrinkle in self-improvement for men is skin care. It seems that after kidding the wife about all that goop she put on her face, some husbands were sneaking the stuff themselves. Now many men are coming out of the water closet and openly buying pricey new shave creams and such exotic accompaniments as toners, tightening masks, bronzers and even under-eye cream.

The estimated $45 million annual business in upscale conditioners, lotions and moisturizers is still only a small part of the $1 billion-plus men's grooming market. But it has tripled in size since last year. Customers are crowding a silver-gray men's skin-care counter in Chicago's Marshall Field for shaving tips by white-smocked saleswomen. Estée Lauder, which already had the Clinique and Aramis labels, this year added Lauder for Men. A $20 sampler kit of the new Lauder line sold out in less than a week at Bullock's in Los Angeles. Says Baxter Finley, who for two decades has marketed his Baxter of California men's line: "In the last four years everyone and his dog is into skin care."

A salesman's natural exaggeration, no doubt—Rover, get your paw out of there—but clearly there are new face values. "It's an attitude," notes Mark Searcy, co-founder of Interface, a California concern that expects to peddle $6 million worth of men's skin-care preparations this year. "Ten years ago, it was sissy to use a blow dryer. Now policemen and truck drivers use them." The new adventurers in the skin trade see it as an obvious outgrowth of, or perhaps they would prefer to say a smooth supplement to, the health-and-fitness craze.

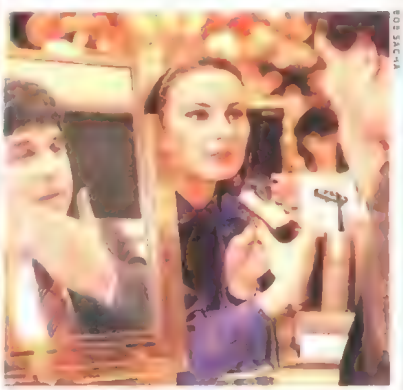
Most aficionados are first attracted by the promise of closer shaves. Shoe Salesman Marte Mejstrik, 27, of Lincoln, Neb., tried Clinique's "allergy tested" shaving formula on his sensitive skin; it worked so well he went on to a variation of the twice-a-day, three-step regimen of complexion soap, "scruffing lotion" and moisturizer. Special creams like Solutions for Men shave gel complete with aloe vera sell for $7.50 for 3 oz., compared with $1.59 for a 7-oz. can of Gillette Foamy. The new products give smoother results because they contain more lubricating emollients and fewer air bubbles than most foams.

Many new lines go well beyond the razor's edge. They contain everything from jojoba or wheat-germ oil to elastin or collagen, and most have no added fragrance. Lauder's top-shelf stuff includes Men's Skin Repair Complex ($35 for .87 oz.), which promises to produce younger-looking skin. Interface offers a beefy $44, four-product Work-Out Kit, including an eight-page illustrated brochure on when and how to apply such items as the Gripper tightening mask (twice a week) and PCA Day Moisturizer (outward strokes each morning and evening). A less costly label, Skin Control Systems, is co-owned by ageless TV Personality Dick Clark and is found in chain drugstores and military PXs.

In most stores, the majority of buyers are yuppies who want to shine up that fresh-faced look for their race up the ladder. "My father thinks it's awful. He uses Ivory," says John Gormley, 26, who is working for his architecture degree at the University of Texas at Arlington. "But it seems like in my age group everybody is using a lot of men's skin-care products." Blacks are among the most enthusiastic fans. J-Christopher Phelps, 22, a Chicago modern dancer, started with a shave cream to reduce the irritation of razor bumps, a curse of black shavers, and now buys products from different companies. "Once you get into the routine," he says, "you're hooked."

Dermatologists are among those not buying. The new goos may give smoother shaves, they concede, and they actively approve skin treatments with sun blocks, to head off wrinkles. But doctors say the moisturizers, tighteners and abrasive scrubs make little discernible difference. "It's more hope than help," says Beverly Hills Dermatologist Arnold Klein. "Most products will do only one thing: make the people who manufacture them wealthy."

The men's industry was more than inspired by the women's: in some cases the product is exactly the same. Crisp packaging and manly monikers have been critical, however, in attracting most male customers. Entrepreneur Jan Stuart's mail-order mixtures like Obsessive Nectar and Treasure were renamed Honey-Almond Scrub ($12.50) and Jojoba/Elastin Under-Eye Creme ($15) and put up in clinically white jars for department-store counters. A new blush on the market is makeup for men, but it is not expected to make the same splash as skin care. Marketing strategists for the industry are concerned about avoiding a gay image and like to talk of how often their products turn up at the health club or the gym. Not in every locker room, of course. Los Angeles Raiders Head Trainer George Anderson says firmly, "I haven't seen any of it here, and I hope I never do." But the winds of change are blowing, and they can really dry out a guy's face. —*By J.D. Reed. Reported by Thomas McCarroll/New York and Mary Wormley/Los Angeles*



ELIS SACKS

Sampling Lauder potions in New York

"Everyone and his dog is into skin care."

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Choose a built-in answering machine. Speakerphone. Built-in dialer. But choose carefully, because it's built to last. After all, it's a Panasonic.

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KX-T 2425

This phone remembers 28 numbers. And will dial them for you automatically. Even redials a busy number. Up to 15 times in 10 minutes.

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This phone lets you connect two incoming lines. So you can put your first call on hold, while you answer a second. Also has an automatic dialer.

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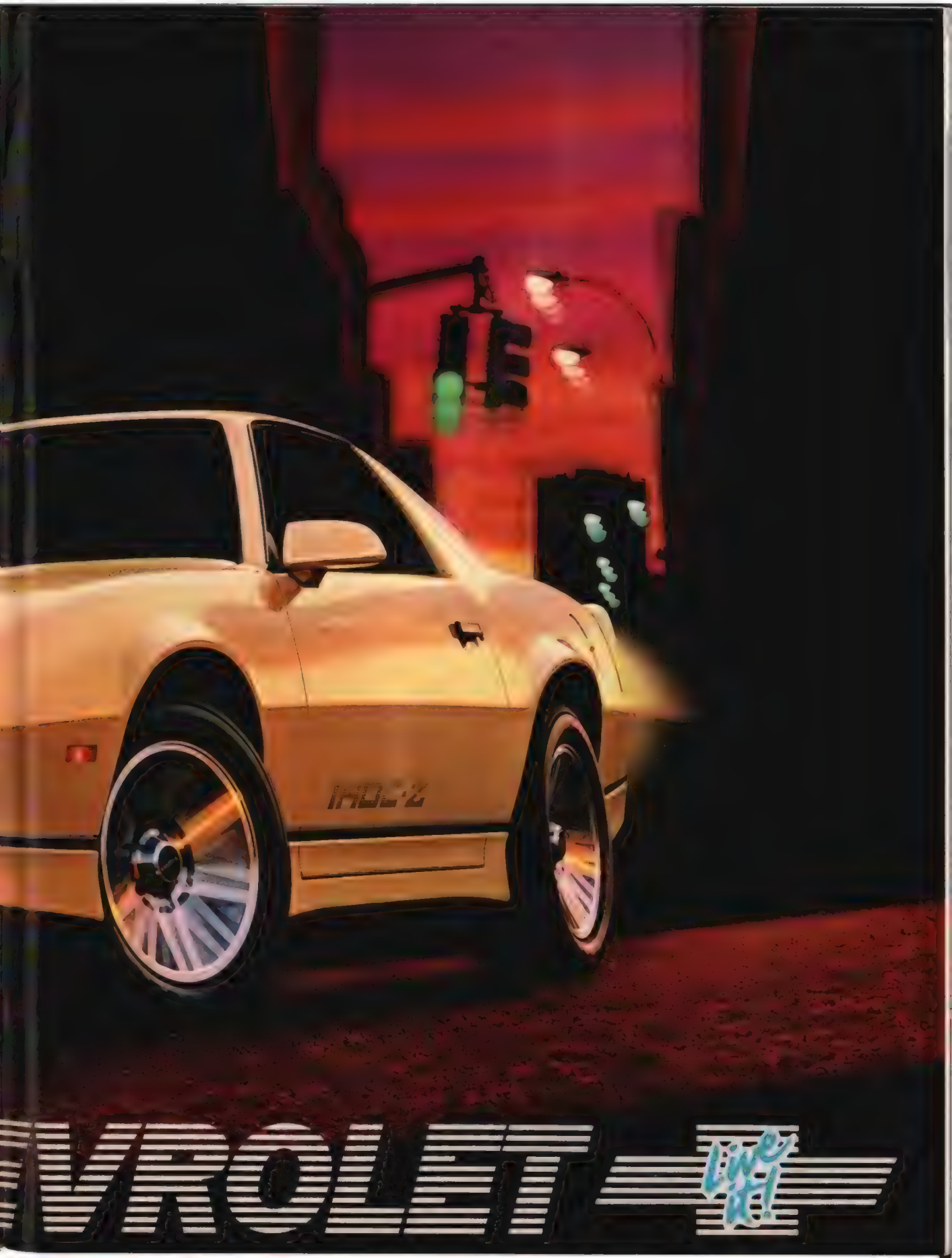

IROC-Z
VROLET
Live it!

Their Plates Are Smashing

A group of top architects produce a classy line of tableware

Couturiers do it, television stars do it, even educated socialites do it. They "design"—and autograph—all kinds of housewares, from teacups to towels, cashing in on their celebrity status. Now they are getting competition from a less flashy but doubtless more highly qualified quarter: a group of internationally renowned architects.

In a unique venture, a fledgling New York City firm called Swid Powell was formed to commission the architects to design china, crystal and silverware for the $4 billion-a-year "tabletop" market. The resulting collection of some 50 pieces was unveiled earlier this fall at Marshall Field's in Chicago; two of the architects, Richard Meier and Stanley Tigerman, attended to show off their handiwork. (The others displaying works: Charles Gwathmey, Robert Siegel, Laurinda Spear, Robert A.M. Stern, Robert Venturi, Japan's Arata Isozaki.) The designs are already a commercial as well as aesthetic success. At Field's the china is moving briskly, and some of the silverware sold out within four days. Major department stores in eight other cities across the U.S. are experiencing equally encouraging sales and have reordered. In addition, New York City's Museum of Modern Art has selected some of the pieces for its permanent design collection, and the Metropolitan Museum of Art is in the process of doing so. Says Marshall Field's Buyer Robert Doerr: "It's been a long time since the tabletop has had this kind of excitement."

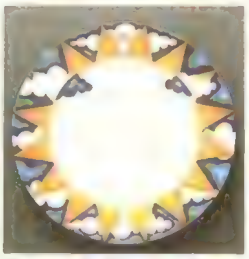
Historically, architects have made notable contributions to domestic accessories. From 1903 to the 1930s, Vienna Visionary Josef Hoffmann and others produced jewelry, tableware and even wallpaper at his celebrated Wiener Werkstätte. Bauhaus builders made seating and sinks to furnish their functional structures, and Michigan's Cranbrook Academy of Art inspired mid-century classics like the Eames lounge chair. Frank Lloyd Wright not only fashioned lamps and dinnerware to complement his houses, but even lent his name to mass-produced furniture, carpets and fabrics.

In more recent years, except for occasional forays into furniture, architects have tended to confine their visions to larger structures. Their buildings, however, may be the very reason for the new venture in accouterments. R. Craig Miller, the Metropolitan's 20th century design associate curator, suggests that the architects are prompted by "a need for new furnishings to make postmodern interiors complete."

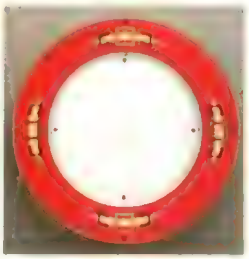
LIDERO SALVADOR

Meier's "King Richard" silver-plate bowl

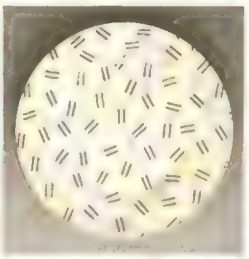
Spear's "Miami Beach"



Tigerman's "Sunshine"



Stern's "Majestic"



Venturi's "Grandmother"

SALVADOR

"Professor" crystal barware by Meier

Furnishings for postmodern interiors.

For Meier, 50, who recently won the commission to design a new $100 million-plus arts and humanities complex for the J. Paul Getty Trust, the problems posed by the tableware project were part of the attraction. Says he: "I was interested in objects that could be mass-produced and usable and of quality." All three requirements are handsomely met throughout the collection. There are sturdy, dishwasher-safe porcelain plates ($46 to $145 each), full-lead crystal bar- and stemware ($35, $36) and silver-plate candlesticks and bowls ($125 to $350). The collection shuns traditional five-piece place settings for eclectic offerings. There is, for instance, Venturi's complex "Grandmother," a pastel floral print overlaid with bold black dashes. "Miami Beach," by Spear, a partner in Florida's brash Arquitectonica firm, mixes soft-colored blobs and a bright red bar. Chicago's Tigerman, known for his theatrical home designs, created "Sunshine," in which bold colors interplay with a cartoon-cute pink angel. The elegant and evocative "Majestic," by Stern, a professor of architecture at Columbia University, combines art deco gilt ornament with a ruby-red rim. Meier's "Professor" barware employs etched lattices that suggest both Louis Tiffany and Ludwig Mies van der Rohe; the motif is echoed on a dramatic silver bowl mysteriously titled "King Richard."

How did these busy architects, who often compete against one another for seven-figure commissions, get together on tableware? Easily, say Nan Swid and Addie Powell. The two ebullient women, both former executives of Knoll International, invited nine architects to lunch at Manhattan's sumptuous Four Seasons restaurant in 1982. They presented a detailed plan for the line, but had so little capital that they could offer the architects no fees, only the promise of royalties. Says Swid, 42, whose husband Stephen is Knoll's co-chairman: "We had a lot of chutzpah." That, apparently, was enough. "An architect stood to toast the venture," recalls Powell, 40, a veteran management executive. "But another said, 'Sit down, we've got too much work to do.' "

Last month Swid and Powell showed buyers their new pieces, including four porcelain patterns and, to satisfy customers who want complete place settings, solid black and white plates, cups and saucers to harmonize with the designs. Store buyers are pushing them to add items like sheets and towels. But the women make it clear that they will go only so far in pursuing the vogue for signature designs. Says Powell: "We're not doing chocolates and shopping bags." —*By J.D. Reed. Reported by William Tynan/New York*

Some people in Washington are planning to tax your employee benefits.

Tell them it's for the birds.

There's a disturbing move afoot in Washington to help cut the federal budget deficit by taxing employee benefits such as life insurance, health insurance, and pensions, now provided by your employer or union.

This could have serious consequences.

Over the years, government policy has encouraged the establishment of employee benefit plans that protect you and your family against the financial tragedy of premature death, disability, or crushing medical bills, and help you look forward to a worry-free retirement.

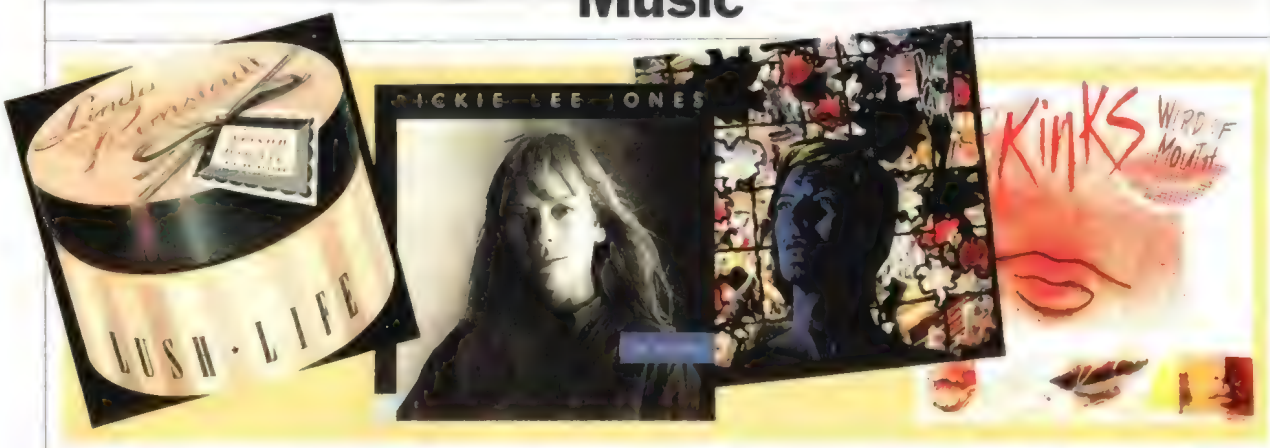
Now, the move to tax employee benefits would reverse decades of Congressional encouragement of benefit plans and would lead directly to reductions in benefits as costs escalate because of added taxes. It would not only cost you more in taxes but, over time, could reduce the amount of benefits your employer or union could afford to provide.

We think a tax on employee benefits is a bad idea. The voluntary health and life insurance and pension plans now in place provide a base of security that helps to protect you and your family. Let's keep it that way.

Tell your elected officials how you feel about taxing employee benefits. It's your future that is threatened.

American Council of Life Insurance
1850 K Street NW Washington DC 20006

HEALTH INSURANCE ASSOCIATION OF AMERICA
[illegible] Street NW Washington DC 20006



Roundup at the Rock Corral

From lush Linda to contrary Kinks, a list of holiday pleasures

Bruce Springsteen: Shut Out the Light (Columbia). This single song is under four minutes long but packs a punch stronger than most albums. His *Born in the U.S.A.*, released in May, not only has no serious competition for album of the year (except maybe Prince's *Purple Rain*), it marked Springsteen's breakthrough to a wider audience. Newcomers should be tipped off to some information well known to fans of long standing: it pays to buy the single versions of the album's hits because stashed away on the flip sides are entirely new songs unavailable elsewhere. *Shut Out the Light*, recorded for *Born in the U.S.A.* but weeded out in the final editing process, is simple, stark, folk-inflected and filled with a kind of cold-sweat compassion for its protagonist, a Viet Nam vet returning home. The lyrics are full of stabbing detail: this vet's wife "called up her mama to make sure the kids were out of the house/ She checked herself out in the dining room mirror/ And undid an extra button on her blouse." As in Ernest Hemingway's seminal short story *Soldier's Home*, the reunion is full of restless memories and long shadows. The vet lies in bed, next to his wife, staring at the ceiling, his hands paralyzed, terrified of the darkness and the narrow future ahead of him. There have been a number of fine books written about Viet Nam, but so far music beats fiction in getting to the quick of things. That seems totally appropriate to a so-called rock-'n'-roll war. Perhaps an enterprising producer might put together an album anthology of a dozen of the best Viet Nam songs (*Run Through the Jungle, Fortunate Son, Still in Saigon*); the profits might fittingly benefit a Viet Nam veterans organization. *Shut Out the Light* could stand proud as the centerpiece of any such collection.

Linda Ronstadt: Lush Life (Asylum). Also starring Nelson Riddle and his orchestra. This is a sequel to last year's surprising smash, *What's New*, in which Ronstadt, her arranger-conductor and his orchestra proved that anything old could be renewed again, probably—given this kind of talent—in perpetuity. *Lush Life* is rather more playful and relaxed than its predecessor, as if the singer felt vindicated by her decision to refurbish some of pop's sturdiest standards. There is a kittenish sexuality singeing the edges of some of the twelve songs here; *Mean to Me* sounds as if it is being purred on a rumpled-up bed by a woman who has missed an entire night's sleep and is still bright-eyed. *When I Fall in Love* is both heartsore and heartfelt, *Falling in Love Again* a music-box minuet that turns into a full-swing romp, and the classic Billy Strayhorn title cut a cocktail lounge elegy of elegant despair. Barroom or bedroom, *Lush Life* is right at home.

The Kinks: Word of Mouth (Arista). At last, a good robust antiexercise song. In typically contrary Kinks fashion, however, *Too Hot*, with its sardonic image of an entire generation beefing, toning and shaping up, has a get-moving melody that is probably perfect for a workout. Head Kink Ray Davies knows how to write songs that cut several ways, including into his own heart. *Missing Persons* is a lovely piece of brooding melancholy that seems, almost nakedly, to be about the dissolution of his relationship with Chrissie Hynde of the Pretenders. The Kinks are still one of the most fearless, feckless bands in rock, and their guitar work, as ever, sounds like short circuits in an electric chair. *Word of Mouth* also tackles such subjects as gossip, unemployment, sudden death and the decline of the British Empire. The boys may reach a little wide and wild, but when they finally get hold of something, their grip is still sure and distinctive, like being strangled with one hand and tickled with the other.

Rickie Lee Jones: The Magazine (Warner Bros.). Rickie Lee Jones was unique and wholly left field even when she had a surprise hit, *Chuck E.'s in Love*, from her debut album back in 1979. She sounded like a saloon singer with Listerine in her shot glass and wrote songs that came off like juke joint Kerouac. This is only her third full album, and she seems bent on proving, quite unnecessarily, what she has already established: she is the most enterprising woman writer making records today. *The Magazine*, a spiraling cycle of songs organized around themes of loneliness, defiance, memory and renewal, seems as if it was long and hard in coming. Lustrous lines ("If there are three girls running,/ there are three girls running nowhere") alternate with hand-me-down Ferlinghetti, sometimes even in the same song ("We walk in easy snakes/ through the roulette rattling of the ethyl"). In songs like *Juke Box Fury*, the music, jazz inflected and flirtatiously arrhythmic, keeps the language lofted nicely in the thin air as Jones' husky voice snakes around the lyrics. But

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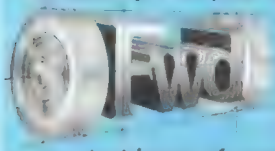

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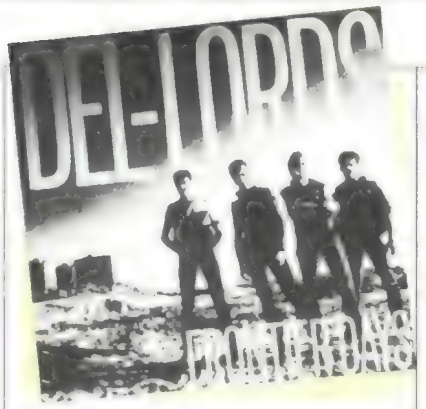

the record turns dark in mood, and heavy. This is not to say that it takes on real weight, however, only that it seems to be buckling under the pull of some nonspecific gravity. A woman who can work up a fail-safe two-line recipe for romantic bliss ("Make him some catfish/ Fry it up in bed") has humor to spare and no further need to flash her credentials for high seriousness. The same notion remains: if the next record comes faster, it ought to be even better.

The Del-Lords: Frontier Days (EMI/America). When a rambunctious band makes a debut album as good as this, it should be all set. The Del-Lords' influences range from Warren Zevon to Alfred Reed, whose vintage *How Can a Poor Man Stand Such Times and Live* kicks the album off in high style and even higher spirits. The music is all rhythmic rush, and the songs—most of them original compositions by Scott Kempner—combine street smarts with some angry political savvy, as in the caustic *Mercenary*. There are echoes of the Band here, and of Creedence Clearwater Revival and the Byrds, but the Del-Lords are assimilators, not imitators, and they have been listening to some of the best. If they keep on this way, they may even step up into that kind of smart company before too long.

The Ramones: Too Tough to Die (Sire). These four unreconstructed New York City punks have been around so long it would be reasonable to assume they would need a breather. No way. This new record is heady evidence that the band has flourished during a career that began before the Sex Pistols and has survived what seems to be virtually mandatory punk burnout. They are as hot as ever, though, and still laying into those guitar chords like hardhats working rivet guns. They get occasional instrumental help—Jerry Harrison of Talking Heads turns a fine hand to synthesizers on one of the album's best cuts, *Chasing the Night*—but their songs are as funny and full of 360-degree mockery as ever. *Endless Vacation*, which sounds like a sort of Beach Boys pastiche, is in fact a paean to homicidal teen angst that features this reflection on the mutability of contemporary existence: "Like takin' Carrie to the high school prom/ something's always goin' wrong." The Ramones are the philosopher kings of nerddom ("Every one's a secret nerd/ Every one's a closet lame"), the laureates of losers everywhere. They have no interest whatsoever in being cool, and for that alone may they always be blessed.

David Bowie: Tonight (EMI/America). Cool, however, is meant to be the core of David Bowie, as if he were some sort of Amana appliance. This new record has fielded one of Bowie's most infectious Top Ten hits, *Blue Jean*, but the album has taken some hard knocks for being less a fresh direction than a kind of holding pattern that is good for dancing. Indeed, several of the songs are vintage items from the portfolio of Bowie's pal Iggy Pop; one is a nifty old Leiber and Stoller tune; and another is an unlikely remake of Brian Wilson and Tony Asher's Beach Boys classic *God Only Knows*, on which Bowie starts out sounding like Bing Crosby crooning from deep inside Plato's cave. But underneath all the precision production and the surgically assured musicianship are messages of lyrical turbulence, full of fleet, elusive imagery that hangs in the air like a haunting. As the album's last song, *Dancing with the Big Boys*, reminds us, "Where there's trouble there's poetry." On *Tonight* there is plenty of both to go around.

J.D. Souther: Home by Dawn (Warner Bros.). Smooth ballads and caustic rockers about misfired romance and misguided adventure by one of the most adept exponents of what has come to be known, somewhat derisively, as "the L.A. sound." Back in the mid-'70s, Los Angeles was the capital of cool, and Souther and the Eagles were the cornerstones of close harmony and acrid social observation. Punk and new wave blew this kind of music out of the water, or at least seemed to. But the substance of new wave could not always keep pace with the style, which may be one reason why Souther sounds so good right now. Another, of course, is that he is a very skillful writer whose love songs have both the toughness and the solid sentimentality of *film noir*. A tune like the title track is a very neat piece of backbeat sleight of hand. It starts out like a celebration of male swagger ("He said goodbye and just walked right out the door"), then turns into a deft bit of deflation ("He looked so good he must have practiced it before"). Songs like this have the grit to make the long run.

—By Jay Cocks


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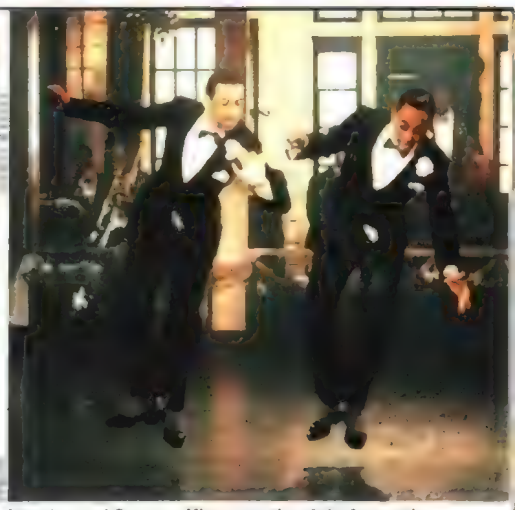
Sass and shimmy hit center stage of Harlem's legendary Prohibition-era nightclub



Maurice and Gregory Hines tap the night fantastic

Cinema

Once upon a Time in Harlem

THE COTTON CLUB *Directed by Francis Coppola*
Screenplay by William Kennedy and Francis Coppola

It is the sorry fate of some big-budget movies to be remembered as the indifferent sequels to their own prerelease publicity. Mention *Cleopatra* and the memory swirls, not with images from the film but with tabloids screaming the latest indiscretion of Liz and Dick. Mention *The Cotton Club* 20 years from now, and the graybeards will have forgotten whether it was a good film or a bad one. Instead, they will gather their young ones around the video fireplace and enthrall them with this fable:

A long time ago (1979) in a mythical land (Hollywood), a producer named Robert Evans had a dream: to make a $20 million spectacle about Prohibition-era gangsters operating out of a legendary Harlem nightclub, to cast Al Pacino and Richard Pryor as the stars, and to direct it himself from a screenplay by Mario Puzo. But Evans wanted financial as well as creative control of the film. So he snubbed the studios and went elsewhere for money. He made a deal with an Arab arms merchant but returned the dough. He wooed a bunch of Texas oilmen, but that deal fell through. Then, early in 1983, Evans found his angels: a couple of Las Vegas casino moguls.

Now he had his millions, and even a couple of new stars—Richard Gere and Gregory Hines—but Puzo's script wasn't working. Enter Francis Coppola. He had once made a movie called *The Godfather*, from Puzo's novel, with Evans overseeing the production, and they all made pots of money. But now Coppola was deep in debt and willing to write *Cotton Club* for $250,000. Coppola loved his script; Evans thought it read like a PBS documentary. And so, while casting continued for roles that hardly existed and sets were built in a Queens studio at $140,000 a week, Evans persuaded Coppola to rewrite his rewrite (another $250,000) and then sign on as director, with a promise of total creative control.

And here, my children, is where things went from chaos to crisis. The first week of shooting, Gere refused to show up until he had a contract. As costs ballooned, money ran short. Seven weeks into shooting, in a contract dispute with Evans, Coppola walked off the set and flew to Europe; the cast and crew missed their paychecks and refused to work until they were paid in cash. And in exchange for a quick $15 million from the film's distributor, Orion Pictures, Evans relinquished his control over the movie. By the spring of 1984, Evans was suing everybody in sight. But the show went on, and after five years and $47 million, *The Cotton Club* premiered on Dec. 14, 1984. The rest, my children, is silence.

Passing for passion: Gregory Hines and Lonette McKee

Failing in love: Diane Lane and Richard Gere

A backstage story as entertaining as this deserves the best of punch lines, rave reviews, big business, Oscars all around. But *The Cotton Club*—the movie, not the gossip machine—deserves less. The volatile drama that attended its making rarely flares on-screen; working at flash point made no sparks fly. On even the calmest of sets, the premise would have shown promise: to blend the early talkies' two most popular genres, the gangster film and the musical, into a sort of *Public Enemy Goes to 42nd Street* or, modernized, *The Godfather Gets One from the Heart*. Why, then, is *The Cotton Club* such a frigid, juiceless mess?

Certainly there is enough going on. The story centers on two pairs of brothers and two troublesome women, and surrounds them with the ricochet rhythms of tap dancing and gunfire. The white brothers are the Dwyers: Dixie (Gere), a cornet player soon to turn Hollywood actor, and Vincent (Nicolas Cage), a bad boy heading for gangland death. The black brothers are the Williamses: Dancers Sandman (Gregory Hines) and Clay (Maurice Hines), who secure a spot on the stage of the Cotton Club. Dixie's girl is Vera Cicero (Diane Lane), the satiny moll of Mob-

Y'SHUA said, "I am the light of the world"

Y'shua? Yes, that's Jesus' Jewish name. He is very Jewish, you know. After all, where do you think he spent Hannukah, in Rome? No. He was in Jerusalem, at the temple, answering questions:

"How long will you keep us in suspense? If you are the Messiah, tell us plainly."

Y'shua answered, "I did tell you, but you do not believe. The miracles I do in my Father's name speak for me."

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ster Dutch Schultz (James Remar); Sandman's girl is Lila Rose Oliver (Lonette McKee), a light-skinned torch singer with aspirations to make it in the great white way. To lend some resonance to their characters, Coppola and Co-Author William Kennedy (whose tough-guy novel *Ironweed* won a Pulitzer Prize) have merged them with real-life figures of the jazz age: Bix Beiderbecke, George Raft, Texas Guinan, Lena Horne. But the parallel stories do not effectively intertwine; they simply pass in the night like city strangers with menace in their eyes. There is too much geometry here, and too little chemistry.

Around the edges of the *tableau vivant* one can detect signs of life. Julian Beck, the grand old mandarin of the Living Theater, is a cadaverous hoot as Dutch Schultz's gunsel. The snippets of Cotton Club choreography have a sprightly sass that busts out of the archive; and there is a lovely scene (though indifferently shot and synced) featuring a dozen hoofers led by Charles ("Honi") Coles. Two witty montages—all headlines, quick cuts and oblique angles—portend an exciting future for their creator, Gian-Carlo Coppola, the director's son. And Father Francis ends his movie with a delirious crosscutting of the Cotton Club and Grand Central station, happy white folks and happy black folks, Hollywood fiction and a sense of fantasy all his own.

There are pretty slim pickings, though, when the lead actors perform their love scenes as if at gunpoint, and the characters are lacking in charm or moral weight, and the climax is lifted, without improvement, from *The Godfather*, and the "period" color makes the screen look as if it is coated with plaque. *The Cotton Club* is not a bad film, just a bland one; not inept, just inert. Given its garish production history, one rather expected *The Cotton Club* to sing with hot-jazz desperation. Instead, we get the mediocre craftsmanship of a pit band in Vegas. —*By Richard Corliss*

ROGER M. COSARAS

Dutch (James Remar) settles an argument

Strangers with menace in their eyes.

Why are these men fighting? Sting and Kyle MacLachlan rassle at the film's denouement

The Fantasy Film as Final Exam

DUNE *Directed and Written by David Lynch*

Science fantasy is an act of subversion disguised as a fairy tale. In primal imagery and orotund cadences it sets the young imagination on a children's crusade against malevolent power. It describes a vicarious rite of passage through bloodshed and anarchy to heroic manhood; it upends the prevailing social order to establish a new moral equilibrium. For the generation of budding revolutionaries in the 1960s, Frank Herbert's *Dune* was a magical mystery trilogy that, along with *The Lord of the Rings* and the *Gormenghast* books, galvanized the spirit like a Disney *Das Kapital*. In *Dune*, rival masters from four planets battled for control of "mélange," an addictive spice that conferred powers of prophecy and transcendence. Here was an intergalactic Colombian drug war, with a stash of celestial LSD waiting to be harnessed by a teen-age messiah—Holden Caulfield maturing into Che Guevara.

Well, the '60s are prehistory now, and nothing ages as fast as futurism. So it seems anachronistic for David Lynch, the gifted eccentric whose only previous features were the $20,000 *Eraserhead* and the $5 million *The Elephant Man*, to spend some $50 million (not another one!) bringing Herbert's mammoth fantasia to the screen. And more than a little confusing to those mortals who have not memorized the book. For Herbert devised not just a teeming universe but the rudiments of several new languages, and Lynch works hard to squeeze the novel's richness and oddness into 2½ hours. *Dune* begins with an animated lecture—leaving a mass of factoids swimming through the moviegoer's brain—and ends with the cry "For he is the Kwisatz Haderach!" So inward and remote does the movie seem, it might have arrived in a time capsule from one of the four warring planets. Most sci-fi movies offer escape, a holiday from homework, but *Dune* is as difficult as a final exam. You have to cram for it.

And why not? the host of *Dune* bugs might ask. Who decreed that fantasy films must be as simple and simple-minded as *Porky's Goes to Arrakis*? Nobody did; and one can admire the world Herbert and Lynch have created even as one feels like an illegal alien visiting it. At the very least, *Dune* provides a bizarre bestiary of characters. One such, the Navigator, is a giant walrus-like creature that rules the universe while floating inside a liquid cage. The Harkonnens are the comic villains of the piece. These red-haired nasties with a taste for drinking human blood and baroquely torturing farm animals are led by the pustulous, airborne Baron Vladimir (Kenneth McMillan) and his aide-de-camp Feyd (the rock star Sting), in gold-leaf bathing suit resplendent. The Guild Spokesman, an imperial messenger, has a bald head cracked on one side and oozing like a soft-boiled egg. Then there are the 1,000-ft. worms of Arrakis, the universe's longest phallic symbols, which hold within themselves the secret of mélange.

The worm, then, is a sort of Moby Python, and young Paul Atreides (Kyle MacLachlan) is an Ahab with a happy ending. MacLachlan, 25, grows impressively in the role; his features, soft and spoiled at the beginning, take on a hemanly glamour once he assumes his mission. Like most of the other cast members, MacLachlan delivers his speeches as incantations from an old, old testament. The actors seem hypnotized by the spell Lynch has woven around them—especially the lustrous Francesca Annis, as Paul's mother, who whispers her lines with the urgency of erotic revelation. In those moments when Annis is on-screen, *Dune* finds the emotional center that has eluded it in its parade of rococo décor and austere special effects. She reminds us of what movies can achieve when they have a heart as well as a mind. —*R.C.*

Essay

Do You Feel the Deaths of Strangers?

"Any man's death diminishes me." It has always sounded excessive. John Donne expressed that thought more than 350 years ago in a world without mass communications, where a person's death was signaled by a church bell. "It tolls for thee," he said. Does it really? Logic would suggest that an individual's death would not diminish but rather enhance everybody's life, since the more who die off, the more space and materials there will be for those who remain. Before his conversion, Uncle Scrooge preferred to let the poor die "and decrease the surplus population." Scrooge may not have had God on his side, but his arithmetic was impeccable.

Are Donne's words merely a "right" thing to say, then, a slice of holy claptrap dished out at the Christmas season? What does it mean to believe that any man's death diminishes me? In what sense, diminishes? And even if one wholeheartedly accepted Donne's idea, what then? What use could one possibly make of so complete an act of sympathy, particularly when apprised of the deaths of total strangers?

ILLUSTRATION FOR TIME BY MATT MAHURIN

Assume that at the basic minimum the process of diminishing requires a state of grief. Is it really possible to grieve for *any* person's death? A year ago in Lebanon, a fanatic drove a truck bomb into the Marine compound at Beirut International Airport, killing 241. We responded to those deaths, all right; Americans grieving for Americans. The truck driver also died in the explosion. Any grief left over for him? What about all the Lebanese who have been dropping in the streets for a decade? Feel those deaths, do we? We say yes sincerely, but we only mean that we experience brief pangs of pity and sadness, especially if television shows death close enough to allow us to make identifications with the sufferers.

Last week in a place most Americans never heard of, more than 2,500 residents of Bhopal, India, were killed by leaking toxic gas. How deeply did we really feel that news? Numbers are always tossed up first in such events, but almost as a diversion; there seems a false need to know exactly how many died, how many were hospitalized; reports supersede reports. When the count is finally declared accurate, it is as if one were mourning a quantity rather than people, since the counting exercise is a way of establishing objective significance in the world. Still, we wept at the pictures, for a day or two.

Just as we wept or shook our heads sorrowfully for the citizens of Mexico City who were caught in the gas explosion and fire several weeks ago. Just as we have been weeping for the starving Ethiopians for several weeks in a row. There we could provide more than tears. There was money to send; one could do that.

But Donne seemed to be advocating a response that is deeper and more consistent: Any man's death makes me smaller, less than I was before I learned of that death, because the world is a map of interconnections. As the world decreases in size, so must each of its parts. Donne's math works too. Since the entire world suffers a numerical loss at an individual's death, then one must feel connected to the entire world to feel the subtraction equally.

The equation gets more complicated. Donne liked to think that everyone represented a world within himself. When anyone died, a planet died; messages of condolence should be flashed across the galaxy. All this intricate imagery simply provided a hard shell for soft feelings. In *The Third Man,* Harry Lime peered down from the top of a Ferris wheel at the dotlike people below, and asked who would really care if one of those dots were to stop moving. Donne saw the dots as close relatives.

For most people the difficulty may lie not in giving dollars or a moment's sympathy to a distant tragedy but in feeling a part of the world in the first place. Show me an Ethiopian mother holding her skin-sore baby—belly ballooned, limbs like an insect's—and my eyes will spill tears. Naturally. What do you take me for? But ask that I see the Ethiopian mother when she is off the screen, in the caves of my mind when I am about my business . . . ah, well. Donne's thesis was that human sympathy ought not to be what we dust off occasionally but what we display all the time. Thus would we weep not only for death at a distance but for the sufferers who are closer at hand, for the family down the street whose plight goes unnoticed and untelevised—for all those in fact whom we might actually help.

Thus, too, would we be prepared for history's surprises, so that when the species goes berserk and comes up with a Hitler or a Pol Pot, we would not turn our backs on those in danger. In his book *Language and Silence,* George Steiner was perplexed to consider how the torture-murders committed at Treblinka could be occurring at precisely the same time that people in New York were making love or going to the movies. Were there two kinds of time in the world, Steiner wondered—"good times" and "inhuman time"? The matter was troubling and confusing: "This notion of different orders of time simultaneous but in no effective analogy or communication may be necessary to the rest of us, who were not there, who lived as if on another planet. That, surely, is the point: to discover the relations between those done to death and those alive then, and the relations of both to us."

But it may not be enough to establish a relationship between those done to death and the survivors. It may be necessary to make a connection with all those who die, under any circumstances—any man's death, at any time—in order to keep one's capacity for sympathy vigilant. There may not be two kinds of time in the world, but there seem to be two kinds of sympathy: one that weeps and disappears, and one that never leaves the watch. Sympathy, unlike pity, must have some application to the future. If we do not feel deeply the deaths we are powerless to prevent, how would we be alert to the deaths we might put an end to?

Of course, this is asking a lot of you and me, who are, after all, pretty good people, who recognize despair when we see it and even respond generously when appeals are made. Especially in this season. We are very good in this season. And how realistic was Donne's idea, given human indifference and lapses of memory? Yet at times the world can feel as small as Donne's. If nothing else, we have vulnerability to share. A reporter walking about Bhopal last week remarked how on some streets people were living normally, while adjacent streets were strewn with bodies. Everything depended on where the wind was blowing. —***By Roger Rosenblatt***

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8. The front bucket seats have adjustable lumbar supports to ease back strain.

9. The leather for the seats is supplied by the same renowned firm that supplies the leather for another luxury car. The Rolls Royce.

10. Fifteen separate vents inside the car assure the even distribution of air. The air is changed four times a minute even when the car is standing still.

11. Automatic Climate Control system. You dial the temperature, the system keeps it constant.

12. There are nine storage areas inside a Volvo 760 GLE, including one in the folding armrest in the center of the backseat.

13. Cross members inside the front seats prevent "submarining" (sliding under seat belts) in the event of a crash.

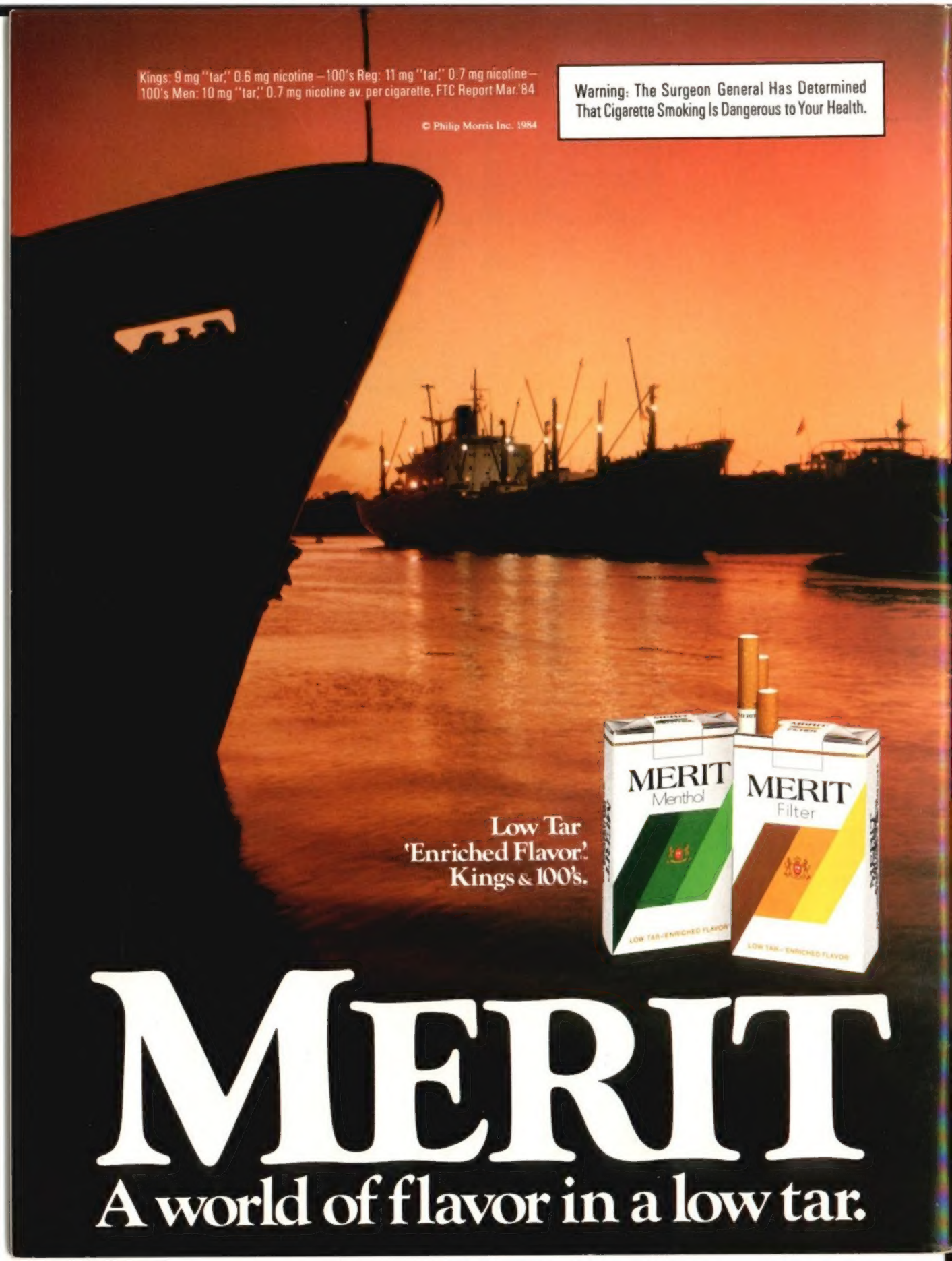
14. The interior is ergonomically-designed so that 95% of America's adult population can reach all the controls without bending.

15. The hood swings up at a 90° angle to make servicing easier.

16. The fuel tank is located in front of the rear axle for added safety in a rear end collision.

17. The audio system has four speakers, two in front, two in back. There's an amplifier for each set of speakers. 25 watts-per-channel in the front. 40 watts-per-channel in the back. A graphic equalizer lets you balance the tone to your own taste.

18. Last, but not least, the most important detail of all. The little nameplate on the front that tells you the 760 GLE is built by a company that's been paying attention to details for over half a century.


Kings: 9 mg "tar," 0.6 mg nicotine—100's Reg: 11 mg "tar," 0.7 mg nicotine—100's Men: 10 mg "tar," 0.7 mg nicotine av. per cigarette, FTC Report Mar.'84
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